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The Shaping of the AMERICAN TRADITION

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TO MY CHILDREN, ANDREW AND BETSY

CONTENTS

Part One: Leaving Europe and Settling America

INTRODUCTION 3

1. The European World from Which the Americans Came, 3; 2. The English Background, 8; 3. The Early Settlers of America, 14; 4. Early Economic Activities, 19; 5. Colonial Agriculture, 24

THE ENGLISH BACKGROUND 29

English Society, 29; Harrison, *The Description of England*, 30; The Authoritarian State, 35; Laud, Two Sermons, 37; Monopolies, 40; James I, *Proclamation Touching Grievances*, 40; Colepeper, *Speeches Relating to Grievances*, 42; Enclosures, 43; Winstanley, *Declaration . . .*, 45; The Moral Rejection of the Poor, 49; Defoe, *Giving Alms No Charity*, 50

THE ENGLISH HERITAGE 56

Toleration, 56; Locke, *A Letter Concerning Toleration*, 57; Civil Rights, 65; Locke, *Of Civil Government*, 66

THE SETTLEMENT OF AMERICA 79

Virginia, 79; Smith, *Description of Virginia*, 79; Pennsylvania, 85; Thomas, *An Account of Pensilvania*, 86; The Scotch-Irish, 94; *Letters . . . by Hugh Boulter . . .*, 95; The Plight of Indentured Servants, 97; Personal Narratives, 102

AMERICAN VALUES 107

Religious Liberties, 107; Williams, *Bloudy Tenant of Persecution*, 108; The Land of Opportunity, 110; Franklin, *Observations Concerning the Increase of Mankind*, 110; The Duty to Rebel, 113; Mayhew, *A Discourse Concerning Unlimited Submission*, 114

Part Two: The First American Revolution

INTRODUCTION 123

1. The Colonial Scene, 123; 2. The Colonial under Mercantilism, 124; 3. Colonial Commerce, 127; 4. Colonial Currency, 130; 5. Colonial Business Depressions, 133; 6. The Tightening of the Mercantilist System, 134; 7. Background of the American Revolution, 136; 8. Winning the Revolution, 138

THE AMERICAN MIND 145

Jonathan Edwards, 145; Edwards, *The Personal Narrative*, 147; Benjamin Franklin, 153; Franklin, *Autobiography*, 154

THE AMERICAN SCENE 160
J. Hector St. John de Crèvecoeur, 160; Crèvecoeur, *Letters from an American Farmer*, 161

AMERICAN PROBLEMS 171
English Colonial Administration, 171; The Appointment and Removal of a Royal Governor, 172; The Disallowance of a Colonial Statute, 174; The Refusal of the Cape Breton Concession, 175; The Navigation Acts, 176; Smith, *The Wealth of Nations*, 178; Tucker, *Tracts*, 184; The Stamp Act, 196; *Examination of Dr. Franklin*, 196; The American Revolution, 202; Paine, Appendix to *Common Sense*, 203; Paine, *The Crisis*, 206; Some Results of the American Revolution, 210; The Articles of Confederation, 210; Madison, *Views of the Political System . . .*, 212; *The Charter of the Bank of North America*, 215; The Virginia Statute of Religious Liberty, 217; Jefferson, *The Virginia Statute . . .*, 217; The Land Ordinances of 1785 and 1787, 218

THE UNITED STATES AND THE WORLD 226
Two Foreign Views of the American Revolution, 226; Turgot, *The American Revolution*, 226; Price, *Observations on the Importance of the American Revolution*, 228

Part Three: Establishing the New Republic

INTRODUCTION 233
1. The Critical Period, 233; 2. Framing the Constitution, 236; 3. The Hamiltonian Program, 238; 4. The Defeat of the Federalists, 245; 5. The American Scene at the Century's Turn, 248

THE AMERICAN MIND 253
Elihu Palmer, 253; Palmer, *Principles of Nature*, 254; Timothy Dwight, 257; Dwight, *Travels in New England . . .*, 258

THE AMERICAN SCENE 264
Virginia, 264; Jefferson, *Notes on Virginia*, 264

AMERICAN PROBLEMS 271
The Constitutional Convention, 271; Randolph, *The Virginia Plan*, 272; Patterson, *The New Jersey Plan*, 273; Alexander Hamilton's Plan, 275; The Debate over the Constitution, 281; *The Federalist*, 282; Richard Henry Lee, 288; Lee, *Letters of a Federal Farmer*, 289; The Bank of the United States, 292; Jefferson, *Opinion against . . . a National Bank*, 292; Hamilton, *On the Constitutionality of a National Bank*, 295; Manufactures, 299; Hamilton, *Report on . . . Manufactures*, 300; Tench Coxe, 305; Coxe, *A View of the United States*, 305; The End of an Era, 309; Jefferson, *The First Inaugural*, 310

THE UNITED STATES AND THE WORLD 312
The Louisiana Purchase, 312; *Correspondence of Thomas Jefferson*, 314; *Correspondence of James Madison*, 316; Jefferson, *Message to Congress, 1803*, 320; The War of 1812, 322; Randolph, The House Debate . . . on . . . War, 323; Johnson, Rejoinder, 326

Part Four: Jacksonian Democracy

INTRODUCTION 331
1. The Growth of America, 331; 2. The Mercantile Economy of America, 333; 3. Leveling Tendencies, 337; 4. Problems of the Eighteen Thirties, 340; 5. American Expansion, 345

THE AMERICAN MIND 348
Ralph Waldo Emerson, 348; Emerson, *Nature*, 348; Henry C. Carey, 354; Carey, *Principles of Political Economy*, 356; George Bancroft, 364; Bancroft, *The Office of the People*, 366

THE AMERICAN SCENE 369
Alexis de Tocqueville, 369; Tocqueville, *Democracy in America*, 370

AMERICAN PROBLEMS 379
Business Enterprise, 379; Hunt, *Lives of American Merchants*, 380; Labor and Immigration, 387; Luther, *Address to the Working Men of New England*, 388; Morse, *Imminent Dangers to the Free Institutions . . .*, 391; Internal Improvements, 395; Clay, *Speech on Internal Improvement*, 395; List, *Early Railroads in America*, 400; Nullification, 403; Webster, *The Second Speech on the Foote Resolution*, 405; *South Carolina Ordinance of Nullification*, 410; The Second Bank of the United States, 413; Benton, Speech on the Bank . . . , 416; *The Correspondence of Nicholas Biddle*, 424; The Depression of 1837–43, 426; *Specie Circular of 1836*, 428; Biddle, *Letters to John Quincy Adams*, 429; Smith, *Letters on American Debts*, 431

THE UNITED STATES AND THE WORLD 434
Genesis of the Monroe Doctrine, 434; Correspondence of Canning and Rush, 437; *Memoirs of John Quincy Adams*, 441; Texas, 445; Wharton, *Address . . .*, 446

Part Five: The Impending Conflict

INTRODUCTION 455
1. Continued Expansion, 455; 2. Economic Growth, 458; 3. The World of the Workers, 460; 4. The Cotton South, 462; 5. The Struggle over the Territories, 467; 6. Overseas Interests, 470

THE AMERICAN MIND 472
Albert Brisbane, 472; Brisbane, *The Social Destiny of Man*, 473; Henry D. Thoreau, 478; Thoreau, *Civil Disobedience*, 479; John C. Calhoun, 482; Calhoun, *A Disquisition on Government*, 484; Richard Hildreth, 489; Hildreth, *Theory of Politics*, 490

THE AMERICAN SCENE 493
Charles Dickens, 493; Dickens, *American Notes . . .*, 493; Bayard Taylor, 498; Taylor, *Eldorado*, 499

AMERICAN PROBLEMS 505
Building the Railroads, 505; *The Illinois Central Railroad*, 507; Business Enterprise, 514; *New York State Constitutional Convention of 1846*, 515; The South, the West, and New York, 524; Articles from *De Bow's Review*, 526; Condition of the Working Class, 534; *The Way to Wealth*, 536; The Sociology and Economics of Slavery, 541; Fitzhugh, *Cannibals All!*, 543; Helper, *The Impending Crisis of the South*, 546; Abolitionism, 553; The Weld-Grimké Letters, 555; Still, *The Underground Railroad*, 559

THE UNITED STATES AND THE WORLD 563
Manifest Destiny, 563; O'Sullivan, *Annexation*, 563; The Opening of Japan, 568; Perry, *Correspondence Relative to the Naval Expedition to Japan*, 569

Part Six: The Second American Revolution

INTRODUCTION 579
1. The Election of 1860, 579; 2. Southern Secession, 580; 3. Lincoln and the Radicals, 583; 4. Fighting the War, 584; 5. The Military Aspects of the War, 586; 6. The Triumph of Industrial Capitalism, 590; 7. The Failure of Reconstruction, 593

PRELIMINARIES 597
The Party Platforms of 1860, 597; The Constitutional Union Platform, 598; The Democratic Platform, 598; The Democratic (Breckinridge Faction) Platform, 598; The Republican Platform, 599; The South Carolina Convention, 600; *Declaration of the . . . Causes . . .* [of] *Secession*, 601

THE REPUBLICAN PROGRAM 605
Charles F. Dunbar, 605; Dunbar, *The Establishment of the National Banking System*, 606

SLAVERY AND EMANCIPATION 614
Greeley-Lincoln Correspondence, 614; Greeley, *The Prayer of Twenty Millions*, 615; Lincoln's Reply . . . , 616; Lincoln, *The Preliminary Emancipation Proclamation*, 617; Lincoln and the Radicals, 618; Julian, *Radicalism and Conservatism*, 620

RECONSTRUCTION 628
The South Carolina Freedmen's Code, 628; The South Carolina Constitution of 1868, 637; Joint Select Committee, 644; Minority Report, 645; Travelers in the South, 653; Andrews, *The South since the War*, 654; King, *The Great South*, 658

THE UNITED STATES AND THE WORLD 665
European Intervention and the Civil War, 665; Slidell's First Audience with Napoleon, 666; Slidell's Second Audience . . . , 669; Roebuck's Audience with Napoleon, 670; Napoleon and Mexico, 672; Seward, *Diplomatic Correspondence*, 673

Part Seven: Growing Pains in the Post-Civil War Decades

INTRODUCTION 681
1. Party Government, 681; 2. Settling the Country, 684; 3. Industrial Capitalism's Victories, 688; 4. Farmers and Workers, 694; 5. Isolationist America, 698

THE AMERICAN MIND 703
Walt Whitman, 703; Whitman, *Democratic Vistas*, 704; Henry George, 710; George, *Progress and Poverty*, 711; William Graham Sumner, 717; Sumner, *What Social Classes Owe to Each Other*, 718

THE AMERICAN SCENE 725
David A. Wells, 725; Wells, Report of the Special Commissioner of the Revenue, 726

AMERICAN PROBLEMS 735
Settling the Northwest, 735; *Minnesota* . . . , 735; Agrarian Discontents, 741; Godkin, Editorials from the *Nation*, 742; Munn v. Illinois, 747; Labor, 753; Powderly, *Thirty Years of Labor*, 753; Panic and Depression, 758; Cairnes, *Some Leading Principles of Political Economy*, 759; The Crises of 1837 and 1873, 764; The New York Clearing House Association Report, 768

THE UNITED STATES AND THE WORLD 772
Josiah Strong, 772; Strong, *Our Country*, 772; James G. Blaine, 776; Blaine, *Two Addresses* . . . , 777

Part Eight: Unrest and Expansion in the Nineties

INTRODUCTION 781
1. The First Steps toward Government Intervention, 781; 2. The Populist Rising, 784; 3. 1896, 788; 4. The Gilded Age, 790; 5. Expansion Overseas, 793

THE AMERICAN MIND 799
William James, 799; James, *Philosophical Conceptions and Practical Results*, 800; Andrew Carnegie, 806; Carnegie, *Wealth and Its Uses*, 807

THE AMERICAN SCENE 811
James Bryce, 811; Bryce, *The American Commonwealth*, 812

AMERICAN PROBLEMS 819
Discontented America, 819; William A. Peffer, 819; Peffer, *The Farmer's Side*, 820; Charles H. Otken, 824; Otken, *The Ills of the South*, 825; Henry Demarest Lloyd, 828; Lloyd, *Wealth against Commonwealth*, 829; Ignatius Donnelly, 834; Donnelly, *People's Party Platform of 1892*, 835; Benjamin R. Tillman, 838; *Journal of the Proceedings of the South Carolina Constitutional Convention*, 839; Henry Cabot Lodge, 842; Lodge, *Immigration Restriction*, 843; Justice Brewer, 847; Brewer, Opinion of the Court *in re* Debs, 848; Expanding America, 851; Carroll D. Wright, 851; Wright, First Annual Report of the Commissioner of Labor, 852; Wright, *Industrial Evolution of the United States*, 854; The Crisis of 1893, 860; John DeWitt Warner, 860; Warner, *The Currency Famine of 1893*, 861; The Money Debate, 867; Donnelly, *The People's Money*, 868; Laughlin, *Facts about Money*, 872

THE UNITED STATES AND THE WORLD 877
Expansion, 877; Mahan, *The Lessons of the War with Spain*, 878; The Open Door, 882; Beresford, *The Break-up of China*, 884; Basis of the "Open Door" Notes, 885; The Hippisley Memorandum, 885; The Rockhill Memorandum, 886

Part Nine: The New Freedom

INTRODUCTION 893
1. The Political Scene, 893; 2. Big Business and Finance Capital, 896; 3. Other Influences on the Reform Movement, 898; 4. The Workers, 899; 5. The New Freedom, 901; 6. Foreign Affairs under Roosevelt, Taft, and Wilson, 904; 7. World War I, 907; 8. Winning the War and Losing the Peace, 910

THE AMERICAN MIND 914
Thorstein Veblen, 914; Veblen, *The Limitations of Marginal Utility*, 915; John Dewey, 920; Dewey, *The Development of American Pragmatism*, 921

THE AMERICAN SCENE 927
The Muckrakers, 927; Steffens, *The Shame of the Cities*, 927; Wealth and Income, 930; Hunter, *Poverty*, 931; Streightoff, *The Standard of Living*, 934; King, *Wealth and Income*, 936

942

AMERICAN PROBLEMS

Corporate and Finance Capitalism in America, 942; Commissioner of Corporations, 942; *Report on the United States Steel Corporation*, 943; The Pujo Committee, 948; *Report on Concentration of Control of Money and Credit*, 949; Labor in America, 955; Oliver Wendell Holmes, 955; Holmes, Dissenting Opinion in *Lochner* v. *New York*, 956; Samuel Gompers, 957; Gompers, Two Editorials, 958; Eugene V. Debs, 961; Debs, Two Speeches, 961; Vincent St. John, 966; St. John, Testimony Concerning the I.W.W., 967; The New Freedom, 972; Woodrow Wilson, 972; Wilson, *The New Freedom*, 973; The National Monetary Commission, 976; Defects of the National Banking System, 977; Carter Glass, 979; Glass, Speech on the Federal Reserve Act, 979; Robert J. Bulkley, 983; Bulkley, *The Federal Farm-Loan Act*, 984

988

THE UNITED STATES AND THE WORLD

Sir George Paish, 988; Paish, *Trade Balance of the United States*, 988; Theodore Roosevelt, 992; Roosevelt, *The Panama Canal*, 993; Corollary to the Monroe Doctrine, 998; Roosevelt, *Corollary to the Monroe Doctrine*, 1000; Roosevelt, Message to the Senate on the Dominican Treaty, 1003; Woodrow Wilson, 1004; Wilson, Two Addresses to Congress, 1004; Henry Cabot Lodge, 1011; Lodge, *The Senate and the League of Nations*, 1012

Part Ten: The Golden Nineteen Twenties

1019

INTRODUCTION

1. Work and Wealth, 1019; 2. Politics in the Twenties, 1023; 3. Some Questions of the Hour, 1025; 4. Dark Corners in the United States, 1028; 5. The Course of Business, 1030; 6. Foreign Relations of the Twenties, 1032

1039

THE AMERICAN MIND

Wesley C. Mitchell, 1039; Mitchell, *Business Cycles*, 1039

1047

THE AMERICAN SCENE

Edwin F. Gay, 1047; Gay, *Recent Economic Changes*, 1048; Robert S. Lynd and Helen M. Lynd, 1054; R. S. and H. M. Lynd, *Middletown*, 1055; André Siegfried, 1059; Siegfried, *America Comes of Age*, 1060

1066

AMERICAN PROBLEMS

The Workers of America, 1066; Robert W. Dunn, 1066; Dunn, *The Industrial Welfare Offensive*, 1066; Sterling D. Spero and Abram L. Harris, 1071; Spero and Harris, *The Black Worker*, 1072; The Farmer, 1076; Chase, *Prosperity, Fact or Myth*, 1077; The Boom, 1081; Seligman, *Economics of Installment Selling*, 1082; Pecora, *Wall Street under Oath*, 1086; Allen, *Only Yesterday*, 1089

1094

THE UNITED STATES AND THE WORLD

International Economic Relations, 1094; Klein, *Frontiers of Trade*, 1095; Mann, *Foreign Reactions to the American Tariff Act*, 1099; Two Failures in Foreign

Policy, 1104; Ichihashi, *The Washington Conference and After*, 1106; Kellogg, *The Settlement of International Controversies by Pacific Means*, 1110; Two Successes in Foreign Policy, 1113; Morrow, On Mexico, 1114; Stimson, The United States and the Other American Republics, 1117

Part Eleven: The Third American Revolution

INTRODUCTION 1125
1. The Election of Franklin Delano Roosevelt, 1125; 2. Theory and Tactics of the New Deal, 1126; 3. The New Deal Agencies, 1130; 4. The Progress of Recovery, 1134; 5. The Cost of the New Deal, 1135; 6. Labor under the New Deal, 1136, 7. The New Deal Continues in Power, 1138; 8. The Third-Term Election, 1140; 9. The New Deal and the Problem of Bureaucracy, 1141; 10. International Relations under the New Deal, 1142

THE AMERICAN MIND 1147
Franklin D. Roosevelt, 1147; Roosevelt, Commonwealth Club Address, 1149; Alvin H. Hansen, 1154; Hansen, *Fiscal Policy and Business Cycles*, 1154; John Dewey, 1160; Dewey, *Democracy*, 1161

THE AMERICAN SCENE 1165
The Bonus Army, 1165; Jackson, *Unknown Soldiers*, 1165; Anderson, *Tear-Gas, Bayonets, and Votes*, 1167; Three Demagogues, 1169; Robinson, *Fantastic Interim*, 1170; Income, Wages, and Productivity, 1172; *Consumer Incomes in the United States*, 1174; Bell, *Productivity, Wages, and National Income*, 1177; Clark, *The Conditions of Economic Progress*, 1180

AMERICAN PROBLEMS 1185
NRA and AAA, 1185; Means, *Industrial Prices and Their Relative Inflexibility*, 1185; TVA, 1189; Lilienthal, *TVA—Democracy on the March*, 1191; Banking and Public Finance, 1195; Eccles, Two Addresses, 1197; Williams, *Deficit Spending*, 1205

THE UNITED STATES AND THE WORLD 1212
Foreign Trade, 1212; Buell, *The Hull Trade Program and the American System*, 1213; Continentalism versus Internationalism, 1218; Beard, *A Foreign Policy for America*, 1220; Roosevelt, The Four Freedoms Address, 1222; Lend-Lease, 1225; Stettinius, *Lend-Lease: Weapon for Victory*, 1226; World War II, 1231; Roosevelt, Two Addresses, 1232; One World, 1235; Willkie, *One World*, 1236

INDEX OF DOCUMENTS 1241
Index of Authors, 1241; Index of Titles, 1244

GENERAL INTRODUCTION

American Uniqueness. Americans have always been convinced of the unique qualities of their civilization—not in a narrowly chauvinistic sense and rarely because of a missionary zeal. They have not sought to persuade other peoples to abandon their own ways of life; nor have they been too clamorous about the superiority of their own. But they have felt its differences. To express these differences concretely, however, has not always been easy.

One of the explanations for uniqueness which Americans have advanced has been their frontier experiences. This explanation is usually associated with the name of the historian Frederick J. Turner, although as far back as the 1820s we find the German philosopher Hegel speaking largely in the same terms. The frontier theory runs as follows: The United States has been isolated from the main currents of European development by three thousand miles of ocean and, because of this, for the first three centuries of its history, the country has been preoccupied with its own internal problems. These have centered in the conquest of a movable frontier of wild lands where the soil has been arable and also rich in timber and mineral resources. In the fusing fires of this process there has developed an American civilization.

The American, as a type, became an individualist, a democrat, an equalitarian, and a utilitarian. He came to look upon government only as an effective device for assuring his happiness and for curbing the oppressive tactics of privilege-hunters. And all because the frontier served as a safety valve. In the wild zones of the West, where land was easily accessible, the American could find both haven and opportunity. Because he conquered the wilderness with his own hands and carved out a freehold for himself and his family, because he erected governments by free association, because he started with his compeers from the same bottom level—for these reasons the attitudes and institutions of his way of life were profoundly conditioned to individualism, democracy, equality, and utilitarianism.

To a certain extent, all this is true. Nevertheless, important reservations must be noted. All the underprivileged and all the little men did not go West; indeed, could not. For the physical act of transference was a capital operation. Funds were needed for the purchase and improvement of the wild lands, for transportation costs, for maintaining families while they waited to harvest their first crop, for stocking farms and acquiring implements. Also, democratic institutions were as much a part of the settled East as they were of the pioneering West. The traditional American attitude toward government was as familiar to the older New Yorker and Virginian as it was to the newer citizen of Michigan and Wyoming.

One notable effect of the frontier, however, should be emphasized. The very fact that there was a West made possible the maintenance of higher wage scales and superior standards of living, and hence made for the traditional American values. For, if driven to it by necessity—as the farmers of New England were, for example—the American could migrate and start life over again in new surroundings. In other words, if industrial workers in America did not migrate westward in great numbers to become free farmers, certainly *potential* industrial workers did. The small farmers and the rural laborers of New England, New York, the British Isles, Germany, Scandinavia, who began to fill up first the Old Northwest and then the prairie states, would have been converted easily into an industrial proletariat (as were those from the same classes in England,

Germany, and Scandinavia who remained behind), if they had not had the opportunity to continue farming under more satisfactory conditions. Such opportunity was to be found in the American West, and to this extent the West as a safety valve was a reality.

Even so, the frontier theory is only a partial explanation of the traditional American way of life. This is of richer stuff, and it is well to examine, at this point, the other contributory factors that have had their effects.

Religious Freedom. Freedom of religious worship and freedom from church authority are important cornerstones of the American tradition. In the colonial period, efforts were made—and successfully—to restrict religious toleration and to create established churches. But during the American Revolution many of the new states moved in the direction of religious freedom, and also disestablished churches. The First Amendment of the Constitution for all time fixed the American attitude: it forbade the "establishment of religion" by Congress and guaranteed freedom of worship. By the end of the second decade of the nineteenth century, state established churches were gone.

Freedom from an established church not only meant freedom from a single ecclesiastical and educational authority; it also meant a fuller measure of political freedom. For, it is important to observe, established churches have always acted to support the traditional, or conservative, institutions of the societies in which they have functioned. They have a life of their own; they are largely selfperpetuating; they are great property owners; they frequently interpret educational policy in terms of their own needs rather than of those of the whole society. The absence of such a powerful force in the United States made possible the existence of a freer climate for social experimentation, particularly in the educational and political realms.

Freedom of Enterprise. Freedom of enterprise is another important cornerstone of the American tradition. Unlike Europeans, Americans never found themselves in a climate of precapitalistic influences; that is, feudalism and its relics have been entirely absent from the American scene. To generalize about feudalism is not easy and qualifications are frequently necessary, but certain observations may be made in order to emphasize the differences between the European and American experiences.

While the struggle against feudalism in Europe began quite early—in some regions as far back as the eleventh century—the battle was not easily won. It took western Europe a long time—in many areas almost five hundred years—to shake off feudalism's grip. And even then there continued to survive traces of feudal authoritarianism.

Feudalism possessed distinctive qualities as opposed to those associated with free enterprise, or capitalism. Feudalism, for example, supported what was essentially a society of status, where people were irrevocably fixed in their stations, except as they took refuge in the bosom of the medieval Church. Again, in the feudal age economic production was largely on a nonexchange and nonprofit basis; in fact, most production was simply for local use whether it was carried on in the manorial estates or under the supervision of the craft guilds. Also, much of this production was communal. On the land, the customs of the manor governed not only the distribution of the small strips of arable land to the individual peasant but also the planting programs which occupied his whole life. The use of the common lands, which were a part of each village community, was likewise controlled by communal custom, not by individual choice or enterprise. A similar sort of communal regulation controlled the operations of the medieval craft guilds, or associations of craftsmen—tailors, carriage makers, ironmongers—whose authority as regards quality of ware, prices, the training of apprentices, and the accumulation of capital was rarely challenged.

Even when the feudal land system began to disintegrate in Europe, starting in the fourteenth century, and when tenants at will began

to replace manorial serfs, the break with communal agriculture was painfully slow. The consolidation of strips into family farms went on over a long time; and the same was true of the gradual termination of the rights in the common lands.

This is a significant fact. When Europeans, in the seventeenth, eighteenth, even nineteenth centuries were migrating across the seas to take up their homes in the New World and establish themselves as free and independent farmers, they were leaving behind them relatives and friends who were still living under the village agricultural system and within the restrictions of feudal landlordism. Strip cultivation, rights in the common, village organization, the dues and obligations that the landlord still possessed, these continued to exist in Europe. Not so in the United States; the American farmer started out by being a free enterpriser from the very beginning. And he became a freeholder.

Similar important differences existed in industry and trade. The guild controls were monopolistic restraints upon free enterprise. And even when the local guilds began to lose their power, monopoly, as an instrument of regulation and control, was not abandoned. The emerging national states used monopoly devices tellingly and in every sector of enterprise. And they employed their monopoly powers to control wages and apprenticeship. The influence of the guilds as state agencies of regulation did not begin to diminish in significance in England until the eighteenth century. Monopolies in industry and trade, with state charters, were not entirely gone until the nineteenth century. In France and Germany, these institutions lingered on even later. By contrast, the European immigrant to America found neither guilds nor state-supported monopolies. Like the farmer, the enterpriser in industry or trade in America functioned freely; he was not restrained by the remnants of an ancient feudalism.

The American suspicion of monopoly is deep-seated. The classic struggle against the chartering of the First Bank of the United States, led by Thomas Jefferson in 1791, is a case in point. Even industrial corporations were regarded in America with hostility for a long time, and it was not until after the 1850s that the states were ready to pass general enabling acts for their creation. The American was fearful of the anonymous character of corporate power.

Many early industrialists have shown this typical distaste for institutionalized business. Andrew Carnegie in an earlier generation, Henry Ford in our own, are examples. Both looked on their businesses as personal creations. They were much more concerned with the processes of expansion than with individual profits. The result of this attitude was that undistributed earnings plowed back into new capital plant made possible the building of the great steel and automobile industries in America. Another interesting parallel between Carnegie and Ford is to be noted: both got rid of partners—Carnegie buying out Frick, and Ford buying out the Dodges—because their partners resented a business policy based on low productive costs rather than on high profits.

The Weak State. The weak state is a third cornerstone of the American tradition. The early settlers came to America from European countries which were dominated by the theories of Mercantilism, that is to say, by a conception of state power which was not unlike the present-day theory of totalitarianism. The political and economic well-being of the state was the key to individual and social activity. Many of the colonists had fled in protest against authority, whether in religious or economic realms, and their allegiance to Mercantilism was correspondingly weakened because it was associated with the authority of the state.

The American Revolution cut the connection completely. The American Revolution was as much a revolt against the limitations and penalties that hindered free enterprise under colonial relations with England as it was a struggle for political independence. It was only

natural that Americans, emerging from that conflict with the mother country, should regard the state with suspicion and seek to limit its powers. They struck the first blow for freedom in the new state constitutions that were written during the period of the American Revolution. They would not ratify the Constitution until a Bill of Rights had been promised as a part of it. They carried the fight, under Jefferson and Jackson, into the federal sphere and also into the states. The theory and practices of the weak, or laissez-faire, state have been as old as American political experiences themselves.

If one looks at the histories of England, France, and Germany, one realizes how far the United States moved from the Old World view. It was not until the 1840s that the props of English state control—the Acts of Trade and Navigation and the Corn Laws—were finally removed. Also, legal recognition of trade unions did not come until the 1870s. In France, despite the extraordinary achievements of the French Revolution, the French middle class was compelled to struggle against a long line of usurpers seeking to reestablish the principle of absolute monarchy, or state power. It was not until the 1880s that the French state was made responsive to the rights of the individual. And as for Germany, the incubus of state authority was never really shaken off. When it comes to an unbroken history of respect by the state for the individual's natural rights—his rights to life, liberty, and the pursuit of happiness—that of the United States has been the longest, and this despite the lateness with which the United States entered the company of nations.

Equality of Opportunity. A fourth cornerstone of the American tradition is the ideal of equality of economic and social opportunity. The American people are a middle-class people, and they believe that through the cultivation of the virtues of hard work and thrift they can in time achieve economic independence and social equality. There can be no question that the belief is solidly founded in reality: that for a long time and for sizable portions of the population such opportunities to achieve measurable independences flourished. Nor can there be question that the hope of their achievement—if not by members of the present generation, at least by their children—still remains an important part of the American credo.

This confidence has supported the vast educational structure of America. Education is not so much education for leadership; it is education for citizenship and education to equalize opportunities. It is inevitable that a people still "on the make" should place greater store in practical values in education than in the conservative and conserving values of settled and privileged societies.

What made possible equality of opportunity in the United States? The first and most important influence has already been referred to, that is, accessibility to a vast public domain on which the prior rights of landlords did not have to be respected. There were other factors of which mention should be made briefly.

Equality of opportunity also existed in connection with industrial production, for there were no privileged and entrenched interests to check the little man in his upward climb. The contrast with England is illuminating. Thanks to the mercantilist system imposed by England upon the American colonies, opportunities for industrial production, except in limited fields (shipbuilding, iron manufacture), were closed to Americans during the seventeenth and eighteenth centuries. In England, on the other hand, industrial production had had the direct support of the state—with bounties, tax remissions, the establishment of monopolies, crown subscriptions to joint-stock companies. As a result, large-scale industrial enterprise was flourishing there as early as the sixteenth and seventeenth centuries, in mining and in the manufacture of ironware, chemicals, glass, textiles, and the like. Production was not yet by machinery, of course; but the organization of production was so far advanced that all the characteristics of modern capitalism were already common, that

is, division of labor, unified workshops, the wage system, and large capitalizations.

When the industrial revolution came in England in the third quarter of the eighteenth century, when machine techniques increasingly came to supplant hand processes, there existed therefore an enterpriser class which, while small, was schooled in the methods of large-scale industry. This class had already amassed a sizable capital fund. With its managerial skills and its capital, the English middle class was able to move easily into the widening field of industrial capitalism where so many opportunities appeared with the invention of the automatic spindle, the power loom, and the steam engine. Furthermore, transfer from mercantile pursuits to industrial pursuits took place in England. In the United States this was not so; all the industrial capitalists started virtually from scratch. Alexander Hamilton's program to encourage manufactures not only by protection but also by subsidy was never carried out. In the United States, consequently, no established wealth and no especially favored groups checked the young, the daring, and the enterprising.

We do not always realize to what an extent the typical early industrial enterpriser came from the small towns and the countryside of America. His equipment for his extraordinary achievements often consisted entirely of his youthful training in hard labor, a religious education which stressed frugality and application to his calling, and a confidence in his own capacities and the opportunities which his country afforded. Andrew Carnegie, John D. Rockefeller, Cyrus H. McCormick, the Big Four who built the Central Pacific and the Southern Pacific railroads, the great meat-packers of Chicago, Henry Ford—in all cases the story was much the same. In no case did there exist a family inheritance or any kind of special privilege.

Equality of opportunity also existed in the United States in the exploitation of its mineral resources. Thanks to the presence of the great public domain and to a generous land policy, it was possible for a lucky prospector and a small capitalist to make a lucky strike and to hit and work rich coal, iron, lead, copper, or oil deposits. Many early mining fortunes, in no way connected with special advantage, grew up in pre-Civil War America out of modest beginnings. Exactly the reverse was the case in Europe. In England and Germany, for example, the land had already been preempted by landlords, and monopolies in coal production had been flourishing long before industrialism matured. Mining in Europe has always been a favored area of privilege; in the United States it was one of the regions in which free enterprise was able to flourish for a considerable length of time.

Equality of opportunity in the United States was also due to the fact that America did not become an economic and financial dependency of Europe. Capital accumulations began to appear in Europe on a large scale in the nineteenth century. Some of these were retained at home to be used for railroad and industrial-plant construction. A considerable part, however, flowed overseas for the development of plantations and mines and for the building of railroads and factories. This process was linked with what we have come to call "economic imperialism." Only a small part of such investable funds, however, moved into the United States, and for a simple reason: neither the Federal government nor the state governments would furnish political guarantees that such foreign loans would be serviced or paid back.

European capital, it is true, had helped in the original financing of public improvements (including railroads) in the United States as far back as the 1830s. This was due to the fact that many of the securities floated in the London and Amsterdam money markets were state-government issues. The depression of 1837–1843 threw many of these securities into default; in some cases actual repudiation occurred; and the foreign investor discovered that he was without legal remedy in the federal courts because the state governments were sovereign bodies. Investment, in America, in

other words, was attended by measurable risks.

The program of economic imperialism, on the other hand, had real advantages. Either by outright conquest or by the creation of spheres of influence or by the extraction of governmental guarantees or by extraterritoriality, European governments in the nineteenth century began to expand their areas of political domination. And the businessmen and their bankers, who followed in the wake of missionaries, traders, and soldiers and who sank large sums in mines, plantations, railroads, and factories, knew they were risking little. For economic and military sanctions could always be imposed on the subject peoples. At the very time, therefore, that the United States offered golden opportunities for capitalist development, notably in the post-Civil War decades, the English, French, Germans, Belgians, and Dutch were turning their attention to Africa, India, China, and Eastern Europe.

The Strength of the American Middle Class. This economic penetration by European capital and enterprise had an interesting and significant consequence: it stunted the growth of a native middle class in the regions where it took place. Industries were dominated by foreign capital, and the profits flowed outward. The workers were "proletarianized" and labored, quite literally, under the whips of overseers; while the thin middle layer of managers and functionaries was made up either of foreigners themselves or of educated natives whose loyalties were overseas. The classic example of such foreign exploitation was Ireland under English landlordism; Russia became another example toward the end of the nineteenth century.

Not so in the United States; here the role of foreign capital was slight (except in the case of railroading and even there the foreign investors were usually bondholders and not shareholders). The upshot was that after the close of the American Civil War it took a full generation before large-scale capitalist activities appeared in industrial production. And this was the period in which the small enterpriser emerged. If he were diligent, abstemious, and shrewd, he could increase a small stake into a respectable and frequently an immense fortune. The annals of American enterprise, particularly the annals of industrial and smelting fortunes, are filled with the histories of hundreds of young fellows who, starting obscurely, made money, plowed profits back into capital plant or bought out competitors, and ended by becoming rich.

Contrast this situation in the United States with that in Ireland or Russia or India or China during the same period, and the greater stability of the American middle class is startlingly revealed. In the United States, a home-grown, home-rooted middle class nursed its profits carefully, expanded its capital plant out of its own surpluses, maintained owner-management, rewarded the top layer of salaried employees by admitting them into its own ranks, and at the same time was able to pay out high wages. In short, it presented tangible proofs on every side of the reality of the American dream that equality of economic opportunity existed. For the middle class in the United States, life was rich with promise. In all those countries under the sway of foreign or imperialist capitalism, by contrast, society was sharply polarized, with a small upper class having a foreign and not a native allegiance. When economic and political shocks came—as they did in Russia, for example—there were no middle layers to cushion the blows.

One is to note, finally, the recurrent strain of equalitarianism in our political thinking and party history. Leveling ideas here have always been linked to property rights; the property rights of land and kine and small workshops, however. and not rights of privilege and monopoly. The political ideas and leadership of Jefferson, Jackson, the Radical Republicans, the Populists, La Follette, the New Dealers—these have had as profound influences in shaping the middle-class ideas and ideals of America as have any other set of beliefs.

Americans have fought, again and again, for liberty and equality. The First American Revo-

lution (the War of Independence) sought to free the American people from the domination of an oversea authority and to establish equality of opportunity for all men in the economic sphere. The Second American Revolution (the Civil War), in the hands of the Radical Republicans, was an instrument with which to achieve the freedom of the Negroes and to create equality of opportunity for blacks and whites in the South and for enterprisers everywhere. The Third American Revolution (the New Deal)—happily carried out peacefully—had a powerful equalitarian strain in its composition; through the intervention of the state, the little men of America were to be made secure in their possessions and opportunities to rise were to be reestablished.

It is false to assume that the concept of equality of opportunity is only a wistful and nostalgic hankering after an earlier and simpler world. True, our ways of living have become institutionalized; we move among Big Corporations, Big Trade Unions, and the Big State. But we are not powerless: as long as the rights of free discussion and free association are preserved.

The Democratic Institutions of the United States. American political institutions reflect the attitudes here outlined, in both the establishment and protection of personal rights and the limitations imposed upon government. We like to call our government a democracy, although in the literal meaning of the term—direct government by all the people—it is not really that. It is a republic and, in fact, the Founding Fathers referred to themselves as republicans and not democrats. Charles A. Beard calls attention to the fact that in the eighteenth century the word "republic" was employed broadly, that is to say, not in an institutional sense but in a moral one. In short, the representatives of the people, acting through government, sought to create welfare and assure the happiness of the greatest number.

As the instruments of government came increasingly under popular control, more and more the limitations upon government which characterize the American system began to make themselves felt. It is one of the most significant characteristics of the American political scheme that it is based upon limited powers. The limitations upon government are imposed in a variety of ways:

1. Ours is a government of laws and not of men. Highest of all is the natural law which Jefferson, obtaining the notion from John Locke, embodied in the Declaration of Independence. "We hold these truths to be self-evident, that all men . . . are endowed by their Creator with certain unalienable rights . . . life, liberty, and the pursuit of happiness." To defend these natural rights of the individual against usurpation at the hands of government the Bill of Rights was added to the Constitution. The individual is specifically protected against an established church; he is assured freedom of worship, speech, assembly, and the press; he is safeguarded against a too zealous police authority and tyrannical courts. His property rights are defended by the famous "due process" clause of the Fifth and Fourteenth Amendments. Interestingly enough, this appeal to natural law (or a "higher law") was also used by the Abolitionists in their attacks on Negro slavery.

In addition to the Lockian natural law, we have the protection of the common law, constitutional law, and statute law. In each case, the law is interpreted by the judiciary, but it is a mistake to assume—as is sometimes too easily done—that this procedure results in judge-made law. It is true that at times, particularly in the processes of judicial review at the hands of the Supreme Court, the courts have violated the intention of the legislative branch, whether in the states or in Congress. But not for too long; sooner or later the judges come to understand that the popular will is supreme in the American scheme of things. They did so in the 1870s; they have come to do so again in the 1930s.

Henry Steele Commager has expressed this thought in the following words: "The state is an organic, not a static, thing, and constitutions

are designed to permit growth, adaptation, and experimentation . . . The police power is not narrowly restricted to emergency legislation but covers all great public needs. The great value of the federal system is that it permits experiments in forty-eight political laboratories and such experiments are to be encouraged. There must be play for the joints of political machinery if it is to work, and restrictions should be limited to jurisdiction, not to political power or administrative activities. Majorities have a right to make mistakes, and there is nothing in the Constitution which prevents them from committing errors or follies."

2. The separation of powers—the division of functions into the executive, the legislative, and the judicial—is another means by which governmental power is limited. Congress, notably, has always been jealous of its authority, and it has used its rights again and again to cut down Executive pretensions. It has been able to do this especially through its control over the purse strings (as a result of which it can eliminate executive agencies at will) and through the Senate's participation in foreign affairs. The executive, on its part, has the important right of veto and in this way can impose limitations on legislative conduct. The judiciary operates in its own sphere. In general, the separation-of-powers theory has worked out well, and there is no question of the fact that the American people are devoted to their system. Substitution for the three independent branches of government of a single authority—as has been true of totalitarian states—is not likely to meet with much support in America.

3. The division of functions between the central government and the states—between Nationalism and Federalism—is a third means by which the power of government is limited. By the Constitution the Federal government is granted specific functions: the rights to make war and peace, to maintain a uniform currency, to raise money, to regulate commerce among the states, and the like. All unspecified rights are reserved to the states, and in their sphere they have sovereign powers. The struggle between central authority and state rights has been recurrent in American political annals, and the pendulum has swung persistently from one position to the other. The original Federalists believed in a powerful central union, particularly for the purposes of creating a sound credit system in the new republic and of holding in check the leveling tendencies in the states themselves. The Jeffersonians (later Democrats) moved to the opposite extreme: they sought to narrow down as far as possible the functions of the Federal government and to make the states completely expressive of the popular will. The Republican party, from 1860 to 1932, again looked to the national government, first to abolish slavery and then to defend property rights. Under the New Deal, curiously enough, the two positions were reversed. The Democrats came to regard the central government as the only possible agency for the protection of human rights and the promotion of the public welfare. The Republicans, more and more, began to speak of decentralization and of the necessity for buttressing the sovereignty of the separate states.

True, in recent years, because of governmental interventionism, operating in the interests of welfare, liberty has appeared to be in danger at the hands of an overzealous and excessive state authority. Frequently, it has been. The pendulum, in a free society, does swing over a wide arc. From the 1860s through the 1920s, the state was too passive; during the 1930s and 1940s, it has been too active. Just as—once and for all—we have rejected laissez faire, so we must always be suspicious of statism.

American institutions and attitudes furnish us with the weapons: the balancing of the legislative power against the executive power, decentralization of authority, responsibility in office, grass-roots democracy—these are ways and means. Again, an alert people has the power to defend its rights.

Parties and Pressure Groups. Against this general background of personal rights and gov-

ernmental limitations, the American political institutions operate. They are made up, as has been said, of the executive and its agencies, the legislature, and the courts. The popular will is exerted chiefly in two ways: through the party system and through pressure groups. Americans go to the polls to vote not for individuals but for party candidates. The party itself is controlled by the membership through the district clubs and the direct primaries. The party, in its turn, is significant for the crystallization of public issues, for its ability to discipline office holders, and for its willingness to scrutinize constantly, as an opposition, the acts of the party in power.

At times in our history, it is evident, the American two-party system has caused the confusion rather than the clarification of important questions. But at critical periods in our history, the parties have become rallying centers and have not hesitated to act boldly. This was true in the struggles over slavery, free silver, and the League of Nations, to take a few examples. Also, at critical periods, the parties have represented clear-cut class alignments. In the free-silver debate, for instance, the Democratic party was the spokesman for labor and the lower-middle classes; it has been, too, under the New Deal. And this significant functioning of the parties takes place despite the fact that they often appear to be mere local groups and leaders who band together every four years only to participate in national elections.

Pressure groups also make possible a greater responsiveness on the part of the executive and the legislature to the popular will. At first blush this is difficult to believe, since pressure groups have usually been assumed to be sinister agencies operating secretly. In the beginning this was unquestionably so, and there can be no doubt that the earliest pressure groups used their power to force concessions from government to powerful property interests. Early tariff-making is justly associated with the lobbying activities of so-called wool institutes, iron and steel associations, and the like. In recent years, however, pressure groups have functioned more and more in the open, so that the agencies of government have the means of judging their strength and of balancing the articulate forces in the nation. Today it is no longer possible to say that the secret government of Big Business runs public affairs. For side by side with the representatives of business at Washington are to be found the equally capable representatives of the organized farmers and the organized trade unionists. All these groups are very strong, and the result is that government in the United States is government by compromise. This, in the long run, is the most stable kind of government.

Equipped, then, with certain traditional beliefs regarding the foundations of their common life and having remarkable opportunities to work out these beliefs in practice, Americans have developed the resources of their land, growing from a small community to one of the great Powers in the world. They have also demonstrated that democracy is a working system.

It is the intention of this book—by the use of examples—to show how American ideas and institutions have been developed. Its materials fall into two parts: text and contemporary documents. The text, in effect a book in American history, serves as a series of introductions to the documents. These are fitted into a pattern which has been followed faithfully in nine of the eleven parts into which the book is divided. In each of the parts, in other words, four divisions have been set up: the American Mind, the American Scene, American Problems, and the United States and the World. It is hoped that, by these devices, the reader will be able to catch the body and the spirit, the enduring values and the transitory—albeit pressing—problems of the world in which Americans lived as they marched ahead to create a civilization.

I have sought to do other things as well. I have tried to make the documents representative—not only of the strains in the American tradition that are still alive but of the best

thinking in and about America. Thus, in the field of philosophy, there has been included selections from the writings of Williams, Edwards, Franklin, Palmer, Emerson, Thoreau, Whitman, James, and Dewey. In the field of economic thought, there are selections from Franklin, Hamilton, Carey, George, Wells, Godkin, Sumner, Wright, Veblen, Mitchell, and Hansen. In the field of political thought, there are selections from Mayhew, Jefferson, Madison, Hamilton, Lee, Bancroft, Webster, Calhoun, Hildreth, Wilson, and Franklin D. Roosevelt. There have been included pieces from the works of distinguished foreigners who have written about America—Adam Smith, Josiah Tucker, Hector St. John Crevècoeur, Robert Turgot, Richard Price, Alexis de Tocqueville, Charles Dickens, J. E. Cairnes, James Bryce, André Siegfried, Colin Clark. Also, through documents, an effort has been made to point up the staples of American foreign policy—the Monroe Doctrine, the Open Door, the Defense of the Panama Canal, the Good Neighbor, International Collaboration.

The greater part of the text has been written as an original work, although, of course, it leans heavily on other writings by myself. In a few places it repeats word for word things I have said elsewhere. I wish to acknowledge my thanks to my other publishers for permission to reprint passages or condensations from other writings of mine: to F. S. Crofts and Company for materials from *The United States Since 1865* (New York, 1932); to Simon and Schuster for materials from *The Triumph of American Capitalism* (New York, 1940); and to D. C. Heath and Company for materials from *The United States and Its Place in World Affairs, 1918–1943*, edited by Allan Nevins and Louis M. Hacker (Boston, 1943).

This book has grown out of the requirements of the Contemporary Civilization course at Columbia College, and more particularly its work in the second year. I am deeply grateful to my colleagues for the aid and encouragement I have received. I have discussed my outlines with them fully and at many points have been saved from errors of omission and commission. Notably, I wish to acknowledge my debt here to Dean Harry J. Carman and to Professors Dwight C. Miner and Horace Taylor. In another sense, this book is peculiarly a Columbia product. It was prepared at the Nicholas Murray Butler Library, and I am under great obligations to the staff of the library for the facilities that were placed at my disposal. And it is being published by the Columbia University Press, which handled with skill and imagination the mechanical problems involved in getting out a book of these great proportions. I acknowledge my thanks here to Charles G. Proffitt, Henry H. Wiggins, Matilda L. Berg, and Eugenia Porter. Helene S. Zahler worked with me on this from the beginning—sifting the documents, writing many of the forewords, and reading the proof. I am grateful to her for her very capable assistance. My wife, Lillian L. Hacker, helped me with her encouragement and understanding: to her my deep thanks.

LOUIS M. HACKER
Columbia University
New York, August 1, 1946

Part One

LEAVING EUROPE AND SETTLING AMERICA

INTRODUCTION

1. THE EUROPEAN WORLD FROM WHICH THE AMERICANS CAME

ALL MANNER OF FOLK left Europe to come to America in the seventeenth and eighteenth centuries. They came from many lands and various stations of life; they came willingly and unwillingly. Some left Europe behind forever—not only physically but emotionally and intellectually as well—and America was both an asylum and a new beginning. Others brought Europe along with them. In one sense, of course, they were the products of a Western civilization that had been centuries in process of developing; in another, they were the children of the Western World. All of which is to say, they became Americans.

The original settlers were in the main English men and women. But by the eighteenth century there were to be found among them Scotch-Irish and Germans in large numbers as well as a sprinkling of Dutch, Welsh, Swedes, and Frenchmen. For the most part, they came from the small villages and towns of the country, although urban dwellers (from London, Bristol, Plymouth, Nantes, Amsterdam) were in their company. Nearly always, they were humble men and women, of little means and simple education, who had been farm workers and tenants—and only occasionally small freeholders. Some had been skilled artisans and mechanics; some had been sailors and fishermen. There were, it is true, among them, a small proportion of the well-born: younger sons of country squires, here and there a merchant or a professional soldier, occasionally—but quite rarely—a man of sizable possessions. But none of Europe's great came to America. At the other pole, there were the completely underprivileged: dispossessed small agricultural tenants, the recipients of parish poor relief, the widowed and orphaned, those who were unwanted for religious reasons. And—in the eighteenth century—there were the Negro slaves.

The Transforming European World. The European economic and social world from which the original Americans came had been in process of transformation for at least half a millennium. By the seventeenth century—at least as far as England, France, and Holland were concerned—the feudal society of Thomas Aquinas and Dante and the Knights Templar was finished. It had been a society based upon a caste system and it had revolved about agricultural production with the individual's position in it firmly fixed through a complicated program of rights and obligations. It had also been, thanks to the ethical system created by the medieval Catholic Church, a society in which the market relation had been clearly subordinated. But that feudal polity and economy had not been wiped out with a single bold and clean stroke; the processes of change had left behind many vestigial traces.

The world out of which the American settlers came was no longer the tight, local, self-contained feudal world. It was a world into which the free air of enterprise had already entered. The caste system of feudalism was being dissolved. The individual was beginning to claim and establish certain rights to the liberty of his person. Above all, he was extending the sphere of operations of his property rights. He could buy and sell in a market; he could hire himself out and hire the labor of others; he could save money capital and transform it into wealth, in the economic sense. It must not be assumed that he possessed that full liberty with which we associate private and property rights

today; but, certainly, he had moved far down that road which mankind in the West had blazed since the thirteenth century—and which had resulted in the loosening of the bonds that tied the individual to authority.

For the authorities of the Catholic Church, the manor, and the guilds—all of which had rejected the profit motive and man's ability to improve his station in life as the bases for personal action and social organization—the men of the fifteenth and sixteenth centuries, therefore, were substituting free enterprise. Their loyalties, notably in western and northern Europe, were shifting from a lower to a higher plane in another area as well. And that was the political. The feudal world had been a particularistic one. A man was associated with a village, if a rural dweller, or with a commune, if an urban one. The great outside beat upon his gates only occasionally, in the person of a begging friar or in the awful passage of an armed troop. The villagers lived and married and died within the narrow sphere of their own stripped fields and commons; the townsmen clung to the shelter of the great walls they helped erect around their communes.

But in the fourteenth and fifteenth centuries, these confining horizons were being pushed out. Wayfarers—itinerant merchants, wandering students, soldiers, sailors, runaway serfs—had appeared increasingly on natural highways. Merchants had taken to pitching their tents and bazaars outside walled cities, thus extending the areas of urban settlement. Feudal lords, in the great valleys of western Europe, had accorded these itinerants protection as they moved from fair town to fair town. Powerful overlords, by conquest and agreement, were expanding the spheres of their own influence. These last, in time, were destined to become the national and absolute monarchs of early modern Europe. By the fourteenth and fifteenth centuries—in Portugal, Spain, France, England, Denmark, Sweden—such monarchies had emerged. They were mighty centralizing and pacifying influences; and, as a result, the loyalty of the individual was shifting from his locality and his local lord to those of the national monarch and the state.

The National Monarchies. How had these monarchies emerged? Largely because of successful wars against the feudal lords, the independent communes, and the Church, wars which the new merchant princes were aiding by making loans to the kings so that mercenary soldiers could be hired, supplied and provisioned, and siege equipment acquired. The muskets and the cannon of the national monarchs blew the armored knights and the walled towns out of the history of Europe. Churches were nationalized, and Church properties, either by seizure or through royal appointment to ecclesiastical office, came under the control of the kings. National monarchs, merchants, even the little men of Europe profited in a hundred and one different ways.

The national monarchs expanded the territorial areas of the state; established their absolute sway; created great courts in which they reduced the turbulent barons to docile and even humanist courtiers; fostered new and superior tastes in manners, clothes, and house furnishings; and completely controlled the public revenues. Private enterprise also grew in stature. For the monarchs pacified the land and reduced the corporate privileges of the communes. Here was a widening national market, protected by the king's soldiers and the king's judges, into which business could move. Roads and bridges were built; weights and measures were regularized; for varying periods, the coinage was stabilized; provincial and local barriers to the free movement of goods were leveled—partially in some countries, entirely in England. In the nations that broke with the Catholic Church, in the sixteenth century, properties were taken over by the national monarchs to enrich their personal estates and to build up a new court nobility.

The Rising Middle Class. Businessmen gained directly and indirectly. Indirectly, because the market was expanded. Directly, because they received from the kings certain concessions and monopolies—to work mines, to manufacture

capital goods, to form regulated and joint-stock companies for oversea trade and the planting of colonies. The little men of Europe profited as well. The more enterprising and ambitious now had wider fields in which to range. They could move out of the villages and incorporated towns—where opportunity was restrained and thwarted by local custom and guild privileges—into a freer climate. They could enter the king's service or take to the sea or engage in manufactures. Nothing is more interesting than the emergence of the little man—the petit bourgeois, the interloper, the parvenu—in times of great social change. Many of the later great merchant families of the sixteenth and seventeenth centuries stemmed from obscure forebears who boldly followed the main chance. The same was true of the great railroading and industrial families of the nineteenth and twentieth centuries. When human affairs take a sudden leap forward, the innovators are not the scions of ancient privilege, but unknowns, whose strength is to be found in their courage and their ability to endure privations—and, frequently, in their lack of scruples.

Out of such a world, the American settlers emerged; a world of royal and dynastic absolutism but, at the same time, a larger and freer world in the economic sense. There was still a third profoundly conditioning force which released the energies and the minds of men from their loyalties to an old authority; this was Protestantism.

The Protestant Reformation. Protestantism cut the individual loose from the penitential system of the Catholic Church. The achievement of grace was to be no longer an unending preoccupation with good works through the constant ministrations of the clergy. Now, salvation was to be won by faith: by the individual's own and direct approach to God, upon whose mercies he threw himself, through his free conscience. The Catholic Church had taught that man was born and lived in sin; and that it was his pride (the greatest of human failings) that prompted him to improve his worldly station. A too close devotion to the creation of wealth, out of which individual profit might be derived—so had held the Church's great fathers from Augustine to Aquinas—was equally unchristian. The ideal medieval man was the ascetic of the monastery who eschewed all this world's goods and who prayed for his fellow Christians.

Protestantism, on the other hand, was individualistic, classless, anti-authoritarian and productive in the economic sense. It created a climate where the guides to conduct and action were many and varied: working and saving; the hustle and bustle of the market place; individual striving and personal choices rather than group sanctions were parts of the new social morality. Notably from John Calvin did Protestantism derive its ethical justification of work and thrift. The English, Scottish, Scotch-Irish, French, Dutch, and German followers of the Calvinist and reformed Lutheran creeds —the Puritans, Quakers, Presbyterians, Huguenots, Dutch Reformed, and Pietists who played such a large part in the settlement of America and the creation of its individualistic psychology—were impatient with the notions of humility and poverty just as they rejected the whole program of medieval other-worldly asceticism.

The Calvinist doctrine of predestination—that there was a small company of God's elect alone chosen for salvation—instead of turning Protestants from the world threw them fully into it. Regardless of their birth, they were picked to rule. Faith, therefore, came first; and it produced works. Faith, too, was linked with application to an everyday "calling." The asceticism of work—of the daily application to one's job—was more significant for the Christian life than the asceticism of contemplation. Thus by labor, diligence, sobriety, and thrift, by production and by saving, the good Christian was destined to achieve grace in both this world and the next.

The English historian, R. G. Tawney, in these words has described the world-view of the seventeenth century English Puritan and Scottish Presbyterian:

Convinced that character is all and circumstance nothing, he sees in the poverty of those who fall by the way not a misfortune to be pitied and relieved, but a moral failing to be condemned, and in riches not an object of suspicion . . . but the blessing which rewards the triumph of energy and will. Tempered by self-examination, self-discipline, self-control, he is the practical ascetic whose victories are won not in the cloister, but on the battlefield, in the counting house, and in the market.[1]

The American publicist, William Allen White, has shown how these values have been carried over into America:

> Men sought heaven for their immortal souls through the acceptance of salvation. . . . Moreover, they have set up reason as the final arbiter in the relations of men. Out of this establishment of government and the social order upon reason rather than force, men have come into democracy. . . . Men in the pioneer West have had to be hard-working to clear off the wilderness. They have had to be thrifty if they survived the economic rigors of pioneering. They have had to be punctual if they got on with their busy neighbors. They have had to be debt-payers or fail. They have had to cultivate a rather strict sense of social duty. In other words, the western Protestantism carried over the Puritan virtues into the continental West. All those hard virtues, all those social ideals, all those yearnings for the establishment of justice after debate and under reason, erected a social order wherein each individual came to rely with easy confidence upon the guidance of his conscience.[2]

Geographical Expansion. There was a fourth influence operating on the old world, that of the discoveries and geographical expansion. The heart of medieval Europe had been the Mediterranean lands. Here Rome had been established, here were the Holy Places associated with the nativity and passion of Christ; here had worked Paul, Augustine, and other great Church Fathers. The Crusades had reopened a portion of these lands to direct physical contact on the part of western Christendom. The Italian merchants and traders occasionally had penetrated personally into the farther regions of Asia. They had brought back tales of the fabulous lands of Cathay (China) and Zingu (Japan): of rich and populous cities, of great navigable rivers, and of incalculable wealth in precious stones, metals, and fine fabrics. Europe knew of these distant places of Asia as it knew of a dark continent to the south. But Europeans did not go there, for they were compelled, in their little boats, to keep constantly in sight of land lest the vast uncharted seas engulf them.

But by the fifteenth century Europeans had become bold seafarers. The revival of learning —and the greater knowledge of geography and astronomy—that had come about in the Moorish universities in the twelfth century, had been a significant influence. Men had learned to know once more that the earth was a sphere; they had come to believe that the continent of Africa could be rounded and the Far East reached by southern—and perhaps, too, by northern and western—all-water routes. The science of navigation had matured. The compass and the astrolabe made it possible for navigators to strike out into the great seas; larger and safer ships were built; portolan charts were now drawn up. The invention of printing helped to advance the easy and cheap circulation of geographical knowledge. Theoretical and technical aids thus existed to make adventuring possible.

The adventurers, by the fifteenth century, were in existence. They operated under the new monarchies of western Europe. Not the Italian or North German city-states fitted out navigators and explorers but the kings and princes of Portugal, Spain, France, England, and Holland. In a sense, these journeys of discovery and exploration were linked with the ambitions of dynastic monarchy; for the expansion of territories and rulership over distant places added to the glory of the royal crown. Missionary zeal played its part. A desire to find precious metals for decoration and coinage—for European supplies of gold and silver were limited—contributed to the impulses to dis-

[1] R. G. Tawney, *Religion and the Rise of Capitalism* (New York, 1926), p. 230.
[2] W. A. White, *The Changing West* (New York, 1939), pp. 29–30.

covery and exploration. Of equal importance was the desire to be freed of the dominance of the Italian and German traders who monopolized the trade with the Near East in spices and textiles.

There was still a further consideration: and this had to do with the dislocations in the Near East as a result of the appearance of the Turks. The Turks, when they took Constantinople in 1453 and Egypt in 1517, did not shut off the trade with these lands and close the avenues into Middle Asia; but they burdened business with heavy impositions. That is to say, the Italians were permitted to operate as before; except now they were required to pay registration fees, tolls, tariffs, and similar charges. All these exactions—as well as the monopoly prices of the Italians and the fact that land-borne traffic is dearer than water-borne—kept the prices of Eastern wares high.

Portugal was the first nation to seek escape from the iron ring of the Mediterranean. Under the leadership of Prince Henry, son of the first Portuguese national monarch, navigators moved out into the Atlantic and began the circuit around Africa. They reached the Canary Islands, Madeira, and the Azores. They moved south, feeling their way around the African coast as Prince Henry carried on a war against the Moors. The Moorish power collapsed; and the Portuguese found on the African coast gold and slaves and ivory tusks. All this whetted their appetites. They discovered the Congo in 1482; reached the Cape of Good Hope in 1487; and in 1497 they sailed out into the Indian Ocean and in the following year put foot on Indian soil. In another fifty years, from their own concessions and factories in India, Portuguese merchants and sailors were penetrating into all the archipelagos of the Spice Islands and reaching even into China and Japan. The all-water link between East and West had been established.

Spain followed the example of Portugal. Christopher Columbus, the Genoese sailor, struck due west—whether in search of the East or simply a group of new islands beyond the Azores is unimportant. In any case, he brought back gold from his first voyage; and in subsequent ones he explored parts of the coasts of Central and South America. As Portugal had laid out claims to an empire in the Indian Ocean, so Spain did similarly in the West —calling its new possessions the Spanish Indies.

Before the sixteenth century was half over, English, French, and Spanish captains and explorers had penetrated deep into the New World. John Cabot, an Italian sailing for the English king Henry VII, discovered Newfoundland in 1497. Another Italian, John Verrazano, sailing for the French king Francis I, reached the Canadian coast proper a quarter of a century later. The St. Lawrence River was opened up to the white man. The northern coast of South America was explored. Mexico and Peru were penetrated, conquered, and despoiled. When Ferdinand Magellan's ships, during 1519–22, rounded the globe, Europe knew that a great land mass lay between the eastern Atlantic and the China Sea. By 1550, it had learned that great riches were to be obtained from the slave traffic with Africa, from direct trade relations with the East, and from the operation of the silver mines of the Spanish Indies.

Spanish Treasure. The appearance of the Spanish treasure in Europe was one of the most momentous occurrences in early modern European history. From 1530 to the end of the century, in a seemingly unending flood, silver and (to a lesser extent) gold poured from the great Mexican and Peruvian mines. From 1600 on, the supply began to taper off; by 1660, it had largely ceased. In this hundred and thirty years, something like 18,000 tons of silver and 200 tons of gold had been officially recorded in the Spanish assay offices. Only a part of this precious stream remained in Spain. A goodly part of it went out to the Orient and thus made possible a great increase in the trade with the Far East. Another goodly part moved into the commercial life of western Europe generally, so that in time France, Holland, and England also profited from the Spanish discoveries.

Thanks to the revitalized trade with the East and the treasure that tumbled into Europe from the Spanish Indies, the settlement of America by English colonists took place in an age characterized by great economic changes and advances.

2. THE ENGLISH BACKGROUND

The English homeland of most of the original settlers was also undergoing a transforming process, and because this was so, many dislocations were occurring. On the one hand, while feudalism was gone, part of its authoritarian patterns remained. On the other hand, the new England that was emerging—an England of commercialized agriculture, mercantile expansion, industrialization, all under the authority of a powerful and centralized state apparatus—was producing its own disequilibriums. Some of the settlers left in flight from the old England; some left to escape from the new; others were rejected by England altogether, and were virtually deported. It was no wonder that so many of England's institutions were left behind when the settlers came to create a new civilization in the Western World.

The Enclosure Movement. In sixteenth century England, the attack on one of the most important of the feudal hangovers began to take place—that of the village organization of agriculture. Since the fourteenth century, the great majority of the rural dwellers had been freed from serfdom; but the living and the techniques of the manorial system had continued to exist. Country folk dwelt in compact villages and functioned not in terms of family farms but in those of the open-field system. Freeholders were few and have always remained few in England. Most of the agricultural workers were either copyholders—hereditary tenants whose rents were fixed at least for one life—or laborers, who worked for wages. Whether freeholders, copyholders, or laborers —as under feudalism—the countryman possessed rights in a large number of scattered strips lying in open fields. These he cultivated in terms of the planting program of the whole village, which was generally a three-crop rotation (wheat, oats or barley, and fallow). In addition to these controls, there was a second characteristic of the village system: the countryman had rights in the common lands, which belonged to the village and were communally managed. In these commons (made up usually of meadow, waste, and wood lot), the countryman cut hay for winter forage for his livestock and turf and timber for his fuel and buildings. In England, the squire or landlord was also an operating farmer and along with the freeholders and copyholders he cultivated his strips all over the open fields of the village. The laborers worked for him but supplemented their meager livelihoods from their rights in the commons.

It was this scheme of things that was increasingly falling under attack in the sixteenth century. It came to be called the enclosure movement, largely because enterprising landlords were seeking to eliminate the commons and enclose them. But another and equally important part of the program had to do with combination of field strips into unified farming properties. And still a third part was directed against the traditional rights of the copyholders. That is to say, landlords sought to raise rents in violation of the customary arrangement; or they raised the alienation fine (the charge that had to be paid when the copyhold passed from father to son); or they evicted the copyholders altogether.

This enclosure movement—which was usually carried out illegally—began to shake the foundations of the old England. The consolidation of fields and the elimination of the commons led to the squeezing out of the small operators and the laborers, or cottagers. Agricultural properties were therefore becoming increasingly concentrated and copyholders were being turned into tenants at will, or lease-

holders in our modern sense. Second, the countryside was becoming overpopulated. This was partially due to the fact that the large landlords, on their consolidated holdings, were more efficient than had been the many small cultivators. But even more important was the fact that arable was being converted into pasture and instead of the small grains being grown exclusively, Englishmen more and more were turning to the breeding of sheep. And sheep husbandry required fewer human hands than did the old system. The roads of England were being filled with dispossessed and unwanted countrymen—the vagabonds and beggars about whom the English penal code was so savage. It was about the sad lot of these unfortunates that Thomas More cried out in that memorable passage in his *Utopia:* Sheep "that were wont to be so myke and tame, and so smal eaters, now, as I heare saie, be become so greate devowerers, and so wylde, that they eat up and swallow down the very men themselfes."

The Woolen Industry. This commercialized agriculture, with its unhappy social consequences, turned England more and more to the development of a mercantile economy. The expanding European market—in the Low Countries, the north German communities, Italy—clamored for wool and for white (or undressed and undyed) woolen cloths. England at once became the leading source for the raw-material and semimanufactured supplies of the European woolen textile centers. Thanks to the aggressiveness of a regulated company of individual English merchants, the so-called Merchants Adventurers, by the sixteenth century, English white woolens were dominating the northern European markets; and in the seventeenth century, these white woolens as well as finished cloths were to be found in the Levantine centers. The profits from this trade did much to help English business enterprise to mature.

The Price Revolution. Its greater participation in foreign trade brought sizable portions of Europe's augmented money stocks into England. Prices moved up—at first slowly and then very rapidly. Businessmen made profits—in fact great profits, so that here existed a capital fund for the launching of new mercantile and also industrial adventures. While prices sharply rose in England (from 1501 to 1650, they increased something like 250 percent) significantly enough, wages lagged behind. By 1700, *real* wages were only 50 percent of what they had been in 1500. As a result, this great price revolution was accompanied by a profit inflation in view of the fact that at least half of the costs of production at the time was represented by wage payments.[3]

The First Industrial Revolution. England was able to expand her Far Eastern trade; and the profit inflation contributed mightily to the appearance of her first industrial revolution and the start of her heavy industries in the sixteenth and seventeenth centuries. A new ebullience filled the land. Agricultural productivity was being stepped up. Oversea commerce was growing by leaps and bounds. Towns were pushing out into the countryside. And heavy industry —in coal, iron, lead mining, the metallurgical trades, salt and glass manufacture, soap and alum making, building-material fabrication—was beginning to utilize large capital funds for factories, machinery, and the hire of tens of thousands of wage workers. In the middle of the seventeenth century the smoke from coal furnaces hung like a pall over London.

The industrial use of coal, according to another American scholar, played as large a role as the profit inflation—if not greater—in England's transformation. According to John U. Nef, the increasing exhaustion of England's timber resources necessitated the employment of coal and the technological changes that went with its use. Says Nef:

[3] An American scholar was the first to point out the significant relations that developed between the price revolution and wage payments. Cf. E. J. Hamilton, "American Treasure and the Rise of Capitalism," *Economica*, XXVII (1929), 338–57, and his *American Treasure and the Price Revolution in Spain* (Cambridge, Mass., 1934). Lord Keynes, the English economist, following Hamilton, described in detail the nature of the English profit inflation. Cf. J. M. Keynes, *A Treatise on Money* (2 vols., New York, 1930).

The opening for profits arose mainly because costs of production were reduced by the widespread adoption of better machinery and improved kilns and furnaces, by the increase in the scale of industrial enterprise, and by the discovery and use of new supplies of raw materials such as calamine, alum, stone, and above all, coal.[4]

Foreign Trade. Oversea trade grew, helped and protected by the English crown. Two types of organization were employed in the exploitation of foreign commerce—the regulated company and the joint-stock company. The regulated company—an earlier form—consisted of a fellowship of merchants each of whom used his own capital but functioned in terms of the common rules imposed by the group; the fellowship supported joint services like docks, warehouses, and courts, and restricted membership on the basis of apprenticeship. As in modern-day cartels, each member's share of the market was prorated. The joint-stock company was more like our contemporary corporation, for the capital fund was raised from a general subscription and management was in the hands of a governor, treasurer, and board of assistants (or directors). The only difference between the original joint-stocks and our modern corporations is the fact that limited liability did not become a safeguard for investors until the nineteenth century. In another and even more important sense, these companies were unlike modern-day firms: for whether a regulated or a joint-stock company, each had the exclusive right to trade in the particular geographical region to which it had been assigned by the crown. Outstanding regulated companies were the Merchant Adventurers (with monopoly trading privileges in the North Sea countries), the Eastland Company (with monopoly trading privileges in the Baltic lands), the Russia Company, and the Levant Company. Outstanding joint-stock companies were the East India Company, the African Company, and the Hudson's Bay Company. One may observe that these exclusive trading privileges continued right into the early nineteenth century.

Frequently, joint-stocks were created to finance a single voyage or a particular piece of promotion. One of the most successful ventures of this type was Francis Drake's second voyage in the *Golden Hind*, in which he circumnavigated the globe. Financed by a group of court nobles (with Queen Elizabeth a secret participant), Drake set out on a piratical and trading journey in 1577, during the course of which he harassed the Spanish communities along the South American coast and hunted down the Spanish treasure ships. He finally returned to England in 1580 with a valuable cargo of pepper from the Spice Islands and with profits of £600,000 on an investment of £5,000. The greatest company of all was the East India Company, first chartered in 1600 as a limited joint-stock to develop the vast area lying between the Cape of Good Hope and the China Sea. The company underwent various vicissitudes but by the last quarter of the seventeenth century was on a permanent footing. It was able, as a result, to establish its own factories, enter into treaty arrangements with native rulers, support armies, and maintain a constant vigilance against interloping traders. At times, its profits were enormous. Its trading monopolies continued in India until 1813 and in China until 1833.

The same company device was employed to launch colonization projects. In 1583, Humphrey Gilbert, seeking to plant a colony in Newfoundland, was acting for such a company. So was Walter Raleigh, when he made three unsuccessful attempts, during 1584–87, to establish English settlements in Virginia. Indeed the first successful ventures in English colonization in America were the work of a joint-stock enterprise; for in 1606 the Virginia Company was organized to send out settlers. The voyage of the Pilgrims was financed by a

[4] See among others, these articles: J. U. Nef, "A Comparison of Industrial Growth in France and England from 1540 to 1640," *Journal of Political Economy*, XLIV (1936), 289–317, 505–33, 643–66; "Prices and Industrial Capitalism in France and England, 1540–1640," *Economic History Review*, VII (1937), 155–185; "Industry and Government in France and England, 1540–1640," *Memoirs of the American Philosophical Society*, XV (1940), 1–162.

group of Plymouth and London merchants, who put up £7,000 to outfit the ships and the colonists. Massachusetts Bay Colony, the seat of the Puritans, was founded by a similar company in which many of the settlers themselves held stock. Manhattan Island and the shores of the Hudson River, in New York, were opened to trade by the Dutch West India Company. A Swedish company was responsible for the planting of the first settlement on the Delaware River.

Population and Wealth. As England rose in mercantile stature, her population and wealth also increased. Customs figures for the period are inadequate and must be taken for what they are worth, but they show an extraordinary development. At the beginning of the seventeenth century, the total value of imports and exports came to £5,600,000; at the beginning of the eighteenth century, to £12,400,000; in the middle of the eighteenth century, to £25,500,000. In 1700, when all exports were valued at £6,500,000, those of woolens alone were worth £3,000,000. The beginning of the seventeenth century saw the English population consisting of 4,000,000 souls; in a century, they numbered 8,000,000; and by 1750, 10,000,000. The national wealth stood at £17,000,000 in 1600 and at £88,000,000 in 1688.

The effects of these various processes on the social map of England were profound. A new middle class was appearing and expanding, with one foot firmly planted in the country and the other in the towns. In it were to be found the improving landlords, the mine owners, the new industrialists, the monopolists. These were the enterprisers in foreign trade, the private bankers and the leaders in the domestic wholesale business. In this last connection, the new middle class entered into and gained control over many of the guilds, some of which simply became organizations specializing in the wholesale trades, while others became closely dominated corporate monopolies in the skilled crafts. Again, the gulf between the new middle class and the humble countrymen, artisans, and common laborers was widening. A large laboring force was springing up—because of enclosures, sheep raising, guild exclusionism—and its members were becoming wage earners in industry and sailors and fishermen in the growing merchant marine. In the seventeenth and eighteenth centuries, from these urban and rural folk, were coming the tens of thousands of men, women, and children—out of England, Scotland, Ulster—who sought the hazard of new fortunes in America.

The Theory of Mercantilism. The political-economic and moral climate out of which the settlers of America came was profoundly influenced by the nature and requirements of the absolute state. Political authoritarianism and royal absolutism were two sides of the same shield. The royal monarch was supreme; and the state apparatus he erected and maintained—through a nationalized church, a court nobility, a mercenary army, a great corps of functionaries and bureaucrats—had as its purpose the perpetuation of dynastic power. This dynastic state-power was linked with the concept of national self-sufficiency. According to the men of the sixteenth, seventeenth, and eighteenth centuries, the wealth of the world was fixed; if England was to prosper, Holland or Spain or France (or all three together) had to be compelled to surrender their possessions. The wars of the period were therefore both dynastic and commercial struggles: so that trading areas could be expanded and the limits of the area of self-sufficiency pushed out.

Not only was the wealth of the world fixed; the wealth of each nation was derived from its foreign trade. Colonies therefore had to be safeguarded against foreign encroachments and permitted to develop only as their economies complemented those of the mother country. In the second place, a nation's foreign trade could expand—at the expense of its rivals—only as it kept its costs of production at home at low levels. The wealth of the nation was to be found in its labor supply engaged in the production of goods and services for export; and the size, docility, and poverty of its workers (the period referred to them collectively as "The Poor")

made possible the riches of the whole body politic.

The Morality of Mercantilism. Out of this conception flowed extraordinary moral and social consequences. The poor were needed and they were assured the right to work—by apprenticeship laws, labor contracts, guild restrictions; but they also had the duty to labor. Public authority used persuasion and discipline; in the last resort—through the institution of the workhouse, established in England at the end of the seventeenth century—it used coercion and punishment. Work was demanded; but the worker was held in contempt. He was kept badly fed, ill clad, and wretchedly housed, while lay and ecclesiastical moralists constantly called attention to his improvidence and his want of industry. Arthur Young, toward the end of the eighteenth century, summed up the traditional attitude toward the English poor in these words: "Every one but an idiot knows that the lower classes must be kept poor or they will never be industrious." And a contemporary of his, William Temple, in order to achieve this result, advocated a fully rounded program which included workhouses, the reduction of real wages, and positive encouragement to population growth.[5]

These programs and attitudes of the absolutist and authoritarian state of the sixteenth, seventeenth and eighteenth centuries we call today the Mercantilist System. The state sought to achieve them through a variety of policies.

Mercantilist Unification. One of these was through national unification. The crown waged an unceasing war against the particularism of the towns and the feudal landlords. It brought the guilds under national control—as in England, through the Statute of Artificers—or used them as agencies of regulation, as in France. It broke down the internal barriers to trade and established a royal system of justice.

Mercantilist Protectionism. Another of these was through protectionism. The crown sought to encourage the development of a favorable trade balance by stimulating the export industries, preventing the appearance of foreign finished goods in the domestic markets, and giving the country's merchant marine special advantages. At home, in the domestic industries, there was set up a ramified scheme of public regulation, intervention, and participation. The crown imported artisans; it granted bounties; and it created elaborate codes for the supervision of those industries whose wares moved into foreign trade.[6]

Mercantilist Bullionism. Another of these was through bullionism. The increase of the money stocks of the nation was to be encouraged; the chief method for obtaining precious metals was through a favorable balance of trade. Soldiers and adventurers stripped conquered peoples of their gold and silver and forced them to buy the goods of the mother country instead of manufacturing their own. While, it is true that in eighteenth century England monetary theory became somewhat more subtle—so that the outflow of specie to the Far East was permitted under limitations, and

[5] For a full exposition of these concepts of the rights and duties of the poor, see E. S. Furniss, *Position of the Laborer in a System of Nationalism* (Boston, 1920). The rights of the poor, in England, were set forth in the great Statute of Artificers, passed in Elizabeth's reign in 1563. The medieval apprenticeship period of 7 years was extended to most of the highly skilled industries; labor contracts were to run for at least a year; and the local justices of the peace were given the power to fix minimum (and also maximum) wages.

[6] These regulations assured the quality of English wares in the foreign markets, but they also protected privileged producers at home. The statutes affecting the woolen industry prescribed the length, breadth, and weight of the various kinds of textiles; provided for governmental inspection and governmental seals; prohibited the use of new machines; and, in order to curb the growth of enterprise and check competition, forbade fullers and finishers to employ weavers in their establishments. The same attitude prevailed toward other industries. To quote Nef: "An attempt was made to fix the size of bricks, statutes were passed regulating the quality of the malt and the hops used in brewing. . . . The authority of the crown was being used to fix the number of producers, as well as to fix the prices of their products and to prescribe their methods of production. Restrictions on the number of enterprises were imposed in industries such as printing, brewing, iron-ore smelting, sugar-refining, brick and tile making . . . a well as in . . . the manufacture of alum, glass, and gunpowder. . . ." ("Industry and Government in France and England, 1540–1640," *op. cit.*, pp. 29–30.)

greater emphasis was placed upon the circulation of money rather than its physical quantity —nevertheless trade and employment continued to be linked with the idea of an adequate money supply.

Mercantilist Monopoly. Another of these was through monopoly. Starting under Elizabeth, the refinements of monopoly operations under James I and Charles I became increasingly subtle. Initially, the crown charged fixed annual rents for the monopoly privileges it granted. Then it imposed a royalty fee on each item of sale. Monopolies were also disposed of to the highest bidders. In time, they came to cover virtually every aspect of economic enterprise. There were monopolies in the export trade, in the import trade, in the domestic trade, and in many fields of manufacture. In this last, the monopolies were particularly oppressive because they, unlike the monopolies of the corporate guilds, were established on a national scale. To uphold the crown, the Court of Star Chamber was permitted to take jurisdiction over patents and monopolies on the ground that infringement constituted a contempt of the royal prerogative.

Mercantilist Colonialism. Still another was through colonialism. The crown chartered trading companies and gave them the right to found colonies; it also sent armies overseas to pacify native populations. Elaborate regulations were drawn up to compel the colonial peoples to produce raw materials required by the mother country and to absorb the finished goods the mother country turned out in surplus. Here, too, balances were to be paid in specie, even if colonies were stripped of their coin and forced to suffer deflation and ensuing hard times.

The Heritage of the Settlers. Out of such a background, the settlers of the New World emerged; part of Europe's tradition and institutions they left behind, part they carried along with them as a living heritage. They were escaping from the tyranny of an authoritarian state and an authoritarian church: the separation of Church and State was one of America's important contributions to the concept of liberty.[7] They were escaping from the tyranny of the village and the restrictions of the guild system. They were escaping from engrossing landlords and mercantile and industrial monopolists. They were escaping from a morality which debased the common man and made him the victim of a theory of political-economic power that linked the wealth of the nation with his own poverty. The European villages, guilds, copyhold tenures, and monopolies were not carried across the seas.

Yet the settlers, notably the English, came with a heavy intellectual and institutional baggage, even if their purses and packs were light. They brought Protestantism, which invested with dignity the individual and his rationality and made his personal striving the basis of a Christian life. They brought the Rule of Law, to defend men and their minds from the oppression of a royal prerogative and the awful authority of star chamber and inquisitional courts. Judiciaries were to be free bodies engaged in protecting the rights and liberties of the citizens. They brought the doctrine of the higher law—that the law of God and of nature was superior to those emanating from human authority—and later, they were to write this principle into the Declaration of Independence. They brought a constitutional theory based on popular sovereignty and the supremacy of the legislature. The English Constitution, representative government, trial by jury, free speech, a free press, religious toleration and freedom, local self-government, the sanctity and freedom of private property; these were some of the ideas and ideologies that did cross the ocean to take firm root in America.[8]

[7] For the first time in modern history, church and state were separated in the four colonies of Rhode Island, Delaware, New Jersey, and Pennsylvania. One of the great achievements of the American Revolution was the extension of the idea, which was incorporated into the First Amendment of the Constitution. By the end of the first quarter of the nineteenth century, there were no state-supported churches anywhere in the United States.

[8] F. A. Hayek, *The Road to Serfdom* (Chicago, 1944), p. 72: "Nothing distinguishes more clearly conditions

What they brought was largely, although not entirely, derived from the English cultural pattern. A passion for the land and a close identification with it was northern European rather than English in origin. The idea of group loyalty came with the Irish and the Scotch-Irish. Dutch, Swedish, and German architecture, household furnishings, cookery, and words were also transplanted in America. But for the most part the forms of living and acting together were English in origin. Why was this? Most important, of course, was the fact that the English-speaking groups made up the great majority of the settlers in the seventeenth century. In the eighteenth century, the Germans, who emigrated in such large numbers, came from a disunited land in which there were no common experiences of nation or people; and they came as the victims of persecution, war, and starvation. In the second place, particularly in the eighteenth century as a result of the tightening of the Mercantilist system, economic —and also, intellectual and social—intercourse was with the United Kingdom exclusively. English thinking, English books, English manners and habits therefore continued as living forces.

in a free country from those in a country under arbitrary government than the observance in the former of the great principles known as the Rule of Law. Stripped of all technicalities, this means that government in all its actions is bound by rules fixed and announced beforehand—rules which make it possible to foresee with fair certainty how the authority will use its coercive powers in given circumstances and to plan one's individual affairs on the basis of this knowledge." Hayek quotes A. V. Dicey's classical exposition (*The Law of the Constitution*, 8th ed., p. 198): The Rule of Law "means, in the first place, the absolute supremacy or predominance of regular law as opposed to the influence of arbitrary power, and excludes the existence of arbitrariness, of prerogative, or even of wide discretionary authority on the part of government." See also L. M. Hacker, *The Triumph of American Capitalism* (New York, 1940), pp. 79–81, for the results of the Puritan Revolution.

3. *THE EARLY SETTLERS OF AMERICA*

The American Physical Scene. The original voyagers and adventurers to America expected to find a populous land and treasure troves. Instead, they encountered a vast and silent continent clothed in an unbroken forest that was entered through the valleys of short rivers. The climate was vitalizing; the succession of the four seasons made possible the planning and growing of food crops; rainfall was adequate; in many sections bog deposits of iron abounded. Not immediate luxury was their portion, but hard work; and from their unremitting physical toil they created a greater wealth than had the Portuguese in the eastern islands or the Spaniards in Mexico and Peru.

Nature showered its riches on the pioneers of America. With their first implements of conquest—the axe, gun, fishing tackle—they were able to sustain life. The axe cut a clearing in the dense forests and supplied wood for fuel and for dwellings, fences, ships, tools, and household utensils. In the clearings they planted corn, beans, squash, and sweet potatoes—all acquired from the Indians. Later, the small grains brought over from Europe were sown. In the south they planted tobacco. Their guns kept marauding Indians at a distance and shot down the deer, bear, turkeys, and other wild life of the forest. In this way the settlers obtained meat, hides, and furs. From the eastern end of Long Island out into the Atlantic as far as the Great Bank of Newfoundland was to be found one of the world's great fishing grounds. Here the mighty cod was caught as well as mackerel, herring, bass, halibut, and sturgeon.

The Indians. The original settlers were fortunate in still another sense. The American continent was populated by Indians, but so sparsely that white colonization and advancing settlement could not be retarded. In 1630, it has been estimated, the Indians north of Mexico did not number more than 1,000,000. In the east, particularly, those encountered by the English were broken up into many tribes, which were

divided by language differences and long-standing feuds over hunting grounds. These Indians were already fairly well advanced as far as agriculture was concerned, although foodstuffs were supplemented by and clothing was dependent upon hunting and trapping. Living in villages, the Indians had succeeded in domesticating corn, squash, and beans; but they had no domesticated animals.

Initially friendly to the white man (Indians helped the early Jamestown and Plymouth settlements survive), the American aborigines were turned into enemies as a result of ceaseless pressure on their lands. The Spaniards, to the south, had brought the more numerous tribesmen under control through conquest, missionary effort, and intermarriage. In the Spanish, and also in the French, possessions, there was a greater intermingling of cultures. Not so in the case of the English. Because they were settlers, requiring land, they carried on a steady and ruthless attack on the Indians. Trade goods—cloth, guns and ammunition, ironware, trinkets—originally was the basis of the fur traffic, as a result of which the settlers obtained the pelts the Indians had hunted and trapped. It soon was discovered that the Indians had a weakness for strong liquor, and rum became an important device in breaking down their resistance. They were tricked into signing away their tribal lands; frequently, too, under the influence of rum, they challenged the white men—only to be defeated in the long run with many deaths on both sides.

Thus the Indians were conquered. But they left their impress on the young civilization growing in the wilderness. Because the Indians were so few, the settlers' insatiable appetite for freeholds of land could be satisfied. The settlers also learned to cultivate the corn-beans-squash cycle. From the Indians they got tobacco. The Indians opened up the back country with their trails and their light canoes made the utilization of the inland waters easy. The fur traders followed the Indians into the interior and the pioneering farmers were not far behind the traders. Thus the process continued, until the end of the nineteenth century saw the frontier gone, a good part of the available free lands preempted, and the Indians rounded up in reservations where they remained the wards of the Federal government.

Companies and Proprietors. Into the wilderness of America came capital and men—the results of individual and private enterprise. True, the English colonies were regarded as the possessions of the crown, and crown charters and patents made their settlement possible. The only English colony on the mainland to have been initiated directly through the royal power was Georgia; certain others were obtained through conquest—Jamaica, New York, Nova Scotia, ultimately the whole of Canada. But most of them were planted because individuals, alone or in companies, sought to enrich themselves by the exploitation of the new domain overseas or because they were looking for religious and civil liberties. Of the latter type were the settlements established by the Pilgrims at Plymouth, by Roger Williams and Anne Hutchinson in Rhode Island, by John Wheelwright and John Underhill in New Hampshire, by Thomas Hooker in the Connecticut Valley, by the German Pietists in Pennsylvania, and by the Huguenots and Jews in Maryland and the Carolinas.

In the hunt for private gain, two agencies were employed. One was the chartered company—used in the founding and settlement of Virginia, Plymouth, and Massachusetts Bay by the English, New Amsterdam by the Dutch, and New Sweden along the Delaware by the Swedes. The other was the proprietorship—used in the establishment of Maryland, Pennsylvania, the Carolinas, and New Jersey.

The promoters of the Virginia settlement had been associated with earlier joint-stocks, when, in 1606, a company made up of some two hundred persons received a charter from the crown to develop the trade of and colonize a portion of America.[9] Between 1609 and 1619, the com-

[9] Actually, the Virginia Company's charter called for the functioning of two groups, known as the London and Plymouth companies. To the "adventurers" of

pany sent out about 1,500 settlers. Failing in its original hope of discovering and working precious metal deposits, the Virginia Company turned to the creation of "plantations."

Under this scheme, the colonists—as company employees—were to be expected to labor for seven years on company enterprises, the profits to go to the stockholders. They were, in other words, to produce pitch, tar, soap ashes, hemp, iron, steel, and glass, as well as their own food. These industrial activities proved unsuccessful and the "plantations" turned to the cultivation of tobacco. But in an agricultural economy it was hard to withstand the demand for freeholds; the "plantation" device therefore was soon abandoned. The company's lands were distributed: among its shareholders, among the servants who had signed up for the seven-year terms, and among such new "adventurers" as were ready to bring capital and laborers of their own into the colony. The company itself found it impossible to survive and in 1624 its charter was withdrawn. It had invested almost £90,000 in the promotion; the only profits its stockholders received were land grants. But it had founded a great colony and it had firmly established the idea of private property in land, and the culture of the tobacco plant.

The humble Pilgrims were Separatists who had cut themselves off from the Church of England. They were settled at Plymouth because a joint-stock, subscribed to by 70 London merchants, had raised £7,000 to finance their voyage. A "plantation" here, too, was set up; it was also unsuccessful. In 1627, the London merchants relinquished their claims on the colony for £1,800; the obligation to pay this sum was assumed by the leaders of the colony, and in fifteen years the debt was discharged through the sale of furs, forest products, and fish. These colonists also became freeholders.

The settlers of Massachusetts received a charter from the crown but the company's capital was largely raised from among the colonists themselves. Because, in considerable part, these Puritans originated from the yeomanry of England, they were able to bring livestock, agricultural implements, and housefurnishings along with them. The company management, too, was transplanted overseas. No "plantation" system was established here; nor were trading and land operations conducted on a joint-stock basis. It has been estimated that the immediate expenses incurred in the establishment of Massachusetts Bay came to about £200,000. Here, too, the colonists became freeholders; and they became interested in fish and furs almost at once.

The proprietary colonies sprang from the desire of their owners—the recipients of the crown grants—to build up fortunes from the establishment of private estates (to be worked by tenants and laborers) and from the sale of land. Although, to a certain extent, the feudal land-relationship was preserved in the payment of quitrents, the proprietors were given the right to alienate, hypothecate, devise, or convey in trust the whole or parts of the territories given to them. Property, as the legal phrase is, was allodial instead of feudal. Therefore, the Calverts of Maryland, the Penns of Pennsylvania, Ashley and his associates in the Carolinas, and Carteret and Berkeley in New Jersey, were landlords, land jobbers, and capitalist promoters, and not feudal lords. To the Calverts and the Penns, the proprietaries undoubtedly were profitable. Their own investments encouraged others with money to migrate to and develop properties in their colonies. Both families also obtained sizable sums from the quitrents, which became a kind of general property tax.

These English colonies, both on the mainland and on the islands, in time turned out to be very successful, notably from the mercantilist point of view. The forests of the New World furnished masts and naval stores, releasing England from its dependence upon Russia and the Baltic States for these products. The island colo-

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London were given the rights to trade and colonize between the 34th and 41st parallels; to the "adventurers" of Bristol, Exeter, and Plymouth were given similar rights in the region between the 38th and 45th parallels. The area between the 38th and 41st parallels was open to both, under certain conditions. In 1609, the London and Plymouth companies were separated.

nies grew coffee, oranges, lemons, pepper and ginger; and the Eastern trade, with its drain of the precious metals, no longer became all-important. These island colonies also supplied England with cabinet woods. The mainland colonies produced whale products (oil and fins), fish, furs and skins, and potashes, pearl ashes, and saltpeter. Some iron was exported and much rice and indigo. Even more important than these commodities were the great surpluses of sugar (the product of the island colonies) and tobacco (the product of Maryland and Virginia), which were carried to England for either home consumption or reexport. Back to the colonies moved a steady stream of manufactured goods—iron ware, textiles, notions, chinaware, housefurnishings, paper, and books. The handling of this two-way commerce employed the capital and the energies of a great number of English shipowners, brokers, commission men, financiers, processers, and manufacturers. When the Revolution broke out, the English colonies in America were consuming one third of all the English goods entering into foreign trade.

The Settlers. Who came to America? The hard times that characterized the English economy of the 1620s and 1630s and the uncertainties and instabilities that flowed from the absolutist and authoritarian rule of the early Stuart kings, prompted many solid burghers and country squires to seek escape in emigration. These middle classes had their representatives in Massachusetts Bay and Connecticut, and also in Maryland, Virginia, and the Carolinas. The same classes made up a sizable part of the Dutch settlers in New York and of the Huguenots in the Carolinas, the Jews in Rhode Island, and the English Quakers in Pennsylvania.

In particular, America offered a haven to the members of the lower middle classes—those who were finding themselves the victims of disordered economic and civil processes. The enclosure movement and the cruel vagabondage laws had many victims in the rural countryside. The guilds more and more were shutting their doors to the humble. The Thirty Years' War in the seventeenth century had ravaged a good part of central Europe and left it a smoking ruin. On a smaller scale, the story was repeated a century later when Louis XIV's armies laid waste the German Palatinate. Religious intolerance forced the Huguenots out of France and the Pietists out of Germany. Mercantilist proscriptions against the manufacture of woolens, the decline of their linen industry, the ancient and oppressive land laws, and church tithes drove the Presbyterian Scotch-Irish out of Ulster in Ireland. Lower middle-class Englishmen streamed out of England in the seventeenth century: between 1607 and 1640, from 50,000 to 70,000 persons moved overseas. Their fellow Germans and Scotch-Irish—as many as 75,000 Germans and 150,000 Scotch-Irish, perhaps—quit their native and adopted lands for America in the fifty years between 1720 and 1770. Moreover, largely in the eighteenth century, about 250,000 Negro slaves were brought to mainland America.

The exodus of a significant proportion of these emigrants was assisted or forced. How large this proportion was, it is impossible to say. One estimate has it that by 1770 fully one half of the original immigrants came as unfree laborers, these being divided equally between white indentured servants and Negro slaves.

Indentured Servants. An indentured servant was a man or woman—sometimes, even a child—who could not pay his own ocean passage and who therefore bound himself to a contractor (often the ship's captain acting in his own right or as an agent) for a term of years, in order to work off his transportation costs. An indenture, or contract, was usually entered into by both parties and fixed the length of unremunerated service. The period ran from three to seven years for adults; for children it ran until they attained their majority. Upon arrival, the captain sold the contracts to persons requiring laborers: in the seventeenth century, usually to the tobacco planters of Virginia and Maryland; in the eighteenth century, to the farmers of Pennsylvania. The purchaser of the contract—in the seventeenth century—also received a head-

right, that is to say, a grant of 50 acres for each servant he was responsible for bringing into the colony. In the late seventeenth and the eighteenth century, and more particularly among the German immigrants, the servant simply arranged with the shipmaster that he was to be sold to the highest bidder from an auction block. Such servants were called redemptioners.

When the servants and redemptioners completed their labor terms—for which, of course, they were not paid, receiving only food, clothing and shelter—they were free men. They received "freedom dues"—a small tract of land (this was so in the seventeenth century at any rate), some agricultural implements, a bag of seed, perhaps a cow and a new suit of clothes; and, as a rule, they set themselves up as farmers. By and large, they became absorbed into the numerous lower middle classes of the period—the general farmers, small traders and skilled workers of colonial America.

Not a few of these white servants were forced out of England. The so-called vagabonds and women and children on local parish relief were virtually deported. Up to the 1670s, kidnapping was winked at and tens of thousands of servants were obtained in this fashion. Also, because of the cruelty of the penal code in seventeenth-century England, jails were thronged and therefore had to be emptied out periodically. During the first three quarters of this century as many as 50,000 men, women, and children (whose crimes were largely minor ones) were taken from the jails and transported overseas. Also transported, notably in the Cromwellian period, were Irish and Scotch political prisoners and prisoners of war. From about 1680 on, assisted immigration came less from England itself, and more from Ulster and Germany. The Germans went to Pennsylvania; the Scotch-Irish to Pennsylvania, Maryland, and New Jersey. But soon, a second generation of the Scotch-Irish was to move west into that great interior valley of Eastern America which lies between the Blue Ridge Mountains and the Appalachians and which stretches southward from Pennsylvania clear into Georgia. By the end of the seventeenth century—except in the case of Pennsylvania—the flow of white indentured servants was tapering off.

Negro Slaves. This decline came about not because the planters of Virginia and Maryland required fewer field hands, but simply because, from about 1675 on, they began to use Negro slaves in sizable quantities. Negro slaves, of course, offered many advantages over white servants: they were property and not a laboring force; they could not escape very easily; their women could be worked in the fields along with the men. Moreover, the movement of Negroes to the New World was regularized as a result of the appearance of the Royal African Company in 1672 and the South Sea Company in 1710.

Native African chieftains became integral parts of the slavery system, selling their prisoners of war and sometimes their own tribesmen to the white traders. Originally the merchants of Bristol and Liverpool dominated the traffic, and the trade goods were textiles and ironware. But when American slavers entered the scene in the eighteenth century, the trade goods became largely bar iron and rum. Thus there developed that extraordinary triangular trade that linked the northern mainland colonies, the West India sugar islands, and the African Guinea coast in a single chain. To the West Indies went Connecticut Valley and Long Island flour, packed meats, fish, barrel staves, and live animals. Back to the distilleries of Massachusetts and Rhode Island went sugar and molasses to be made into rum. Over the sea went the rum and bar iron to Africa. And from Africa across the Middle Passage to the Caribbean sailed the slavers—little vessels of 100 to 200 tons burden—packed with their human cargo.

The growing of sugar in the West Indies and that of tobacco, rice, and indigo in the Southern mainland colonies expanded greatly in the eighteenth century; and, as the market grew, prices for Negro slaves advanced. In the 1690s, the price for a prime field hand—a male between the ages of 18 and 30—was £18 to £25;

in 1770, it was £50 to £80. Negro slavery was not inefficient; under the gang-labor system, as it was practiced in sugar and rice cultivation, it turned out to be a highly profitable means of production. And as for tobacco—a soil-depleting crop—the presence of large quantities of virgin land made possible the postponement of diminishing returns from slave labor for a long time. In fact, it was not until after the Revolutionary War was over that, in Virginia and Maryland, tobacco began to give way to general farming. It should also be remembered that the Negroes were capital—and this accounts for the continuance of slavery long after the use of slaves on the land was no longer worth while economically; through the breeding of young Negroes, the planter's capital fund was being added to regularly. In Pennsylvania, many Negroes were employed on the so-called iron plantations, which were located in the country because charcoal was so important as the basic fuel. In Rhode Island, plantations growing cereals and cattle used slave labor extensively. Otherwise, in the northern colonies, the Negroes were primarily house servants and unskilled workers. In the middle of the eighteenth century, there were about 500,000 Negro slaves in the mainland colonies, of whom about 116,000 were in Virginia and 104,000 in Maryland and the Carolinas.

4. *EARLY ECONOMIC ACTIVITIES*

Coming from rural backgrounds as they did, and being made up of the rural dispossessed in such great numbers, it was natural that most of the immigrants should seek land. Right through the colonial period the American economy was largely an agricultural one; in fact, at the time of the Revolution, nine out of every ten of its people lived in the country. Various systems of land settlement and land tenure were established, usually following regional patterns. In New England, settlements were by communities—the so-called towns—although the village did not play the same institutional role that it did in England and on the Continent. Freehold tenure was also established. In the Southern and Middle colonies, settlement was on a family-farm basis. While, however, land was held as a freehold or a leasehold, quitrents had to be paid to the proprietors (or to the crown, wherever it succeeded them). In the Hudson Valley of New York, the original Dutch grantees, called patroons, set up large estates on which a tenure approximating the copyhold (hereditary leases, fixed rents, and alienation fines upon transfer) was installed. The English tried to continue copyhold tenure here—and it was the only colony where this was done significantly—when they replaced the Dutch.

Land Tenure and Land Laws. In the seventeenth century, particularly, there was a good deal of conflict over the land. Land monopolists tried to appear in all the regions and little men had to fight for their rights. In New England, the original town fathers tried to preempt for themselves the undistributed lands of the towns and there were many disputes over these so-called commons. In New York, where the patroonships had been established, six great manors in Westchester county took in one half of the whole region. In Pennsylvania, William Penn, in order to attract immigrants from lands outside England, sold farms at low prices and also granted headrights for the transportation of laborers. But his heirs raised the prices, so that, at the time of the Revolution, at least two thirds of the inhabitants of the colony were squatters. In the Southern colonies great estates were created; and in order to maintain these properties intact, some of the English land institutions were brought over. Here, entail (under which the heirs received only a life interest in the family properties) and primogeniture (by which the inheritance of real property went entirely to the first-born) were introduced.

Thus, a gentry made its appearance, copy-

ing the attitudes of the English country gentleman, and a great middle-class yeomanry also emerged. There were no peasants in America. Land companies quickly appeared to sell freeholds at low prices in the back country; squatters on crown and proprietary lands defied—usually with success—law officers to evict them; tenancy was of the ladder variety, as we have come to call it in the United States. In other words, it was a temporary rung in the climb upward from farm laborer to freeholder. Diffusion of land ownership and freehold tenure were the two significant characteristics of land settlement in America; and nothing more distinctively set America apart from Europe than these facts.

Before we examine the nature of the agricultural economy, it would be well to look briefly at the extractive industries that sprang up.

In a new country, it is inevitable that the first preoccupation of enterprise should be with the exploitation of natural resources. Not only is agriculture originally exploitative—because of the dearth of capital and the dearness of labor—but the same is true of the working of other raw materials. But the new land of America had great natural wealth among its resources; so that depletion was a long, although, it is true, a cumulative process. We are to see the workers in the fur, lumbering, shipbuilding, ironmaking, fishing, and milling industries—those that one would naturally expect to exist in the American environment—originally as farmers who also labored in the forest and on the sea. Their functioning in these pursuits was occasional and sporadic. And then, as settlements filled up, markets developed, and resources became more difficult to work, specialization set in. The ironmasters, shipwrights, lumbermen, and millers—investing capital in plants, hiring workers, employing credit—became full-time businessmen. If they were successful, they ploughed profits back into plant expansion, so that their businesses grew and concentration began to appear. If unsuccessful, they reverted to agriculture or became wage workers.

The Fur Trade. Colonial America was rich in wild life; and in Europe there was a steady demand for furs and skins. In the Northern colonies, the principal fur-bearing animals were the beaver, otter, bear, raccoon, fox, and mink; in the Southern colonies, they were the raccoon, fox, and beaver; but in the South, the deer was more important than these three named. As a result, in the North the leading article of trade became the beaver pelt, which was sent to Europe to be made up into hats; and in the South, deerskins, which were made up into leather. In the beginning, it was a simple matter for the pioneering farmer, using his gun and traps, to be his own fur trader. But as farm lands replaced forests and the tide of civilization pushed inland, the collecting of furs and skins became a more complicated procedure. Increasingly, the Indians became the center of the fur trade. In some regions, they were invited to bring their furs to the mansions, or forts, maintained by the fur dealers; in others, dealers sent out their agents into the Indian country to collect the pelts and hides. The Dutch at New Amsterdam (later New York) and Fort Orange (later Albany) used the former method, as did the English colonials in the North generally. The French used the latter, and so did the English colonials in the South. In exchange for their wares the Indians received rum and trade goods. As the years passed, a smaller and smaller company of wealthy men, who were also landlords and merchants, came to monopolize the fur business.

The fur trade played an important part in international and imperial relations. The struggle over it involved England and France in a long series of colonial wars in America. The chief bones of contention were the Iroquois country (central New York) and the northern lands watered by the tributaries of the Ohio (the so-called Wabash and Illinois countries). Furthermore, the desire to continue to participate in the fur trade was one of the reasons for colonial interest in the wild lands beyond the crest of the Appalachians. With the successful termination of the Seven Years' War in 1763, the

English got rid of their French rivals. But efforts to close the newly gained lands of the West to colonial land promoters and fur dealers brought about suspicion and recriminations; and also helped to precipitate the break between the mother country and the colonies.

Lumbering. It was to be expected that lumbering should engage the attention of the colonists from the start. Everywhere forests abounded; in the Northern colonies they came right down to the sea's edge. In the North, the softwood white pine, cedar and spruce, as well as the hardwood oak stands, were important; in the South, the yellow pine was outstanding. Wood products were at the basis of a settled life. From the forests came the logs and clapboards for dwellings and farm buildings; the posts and poles for fences; the handles for farm implements and tools. Household utensils were made of wood. Trees were burned down into charcoal for use in the iron industry. From the ashes of the hardwoods came the potash and pearl ash which were needed in making soap and treating cloth. The softwoods yielded tar, resin, and pitch—the famous naval stores; and they were also cut up into planks and converted into barrels, staves, hoops, and heads. The shipbuilding industry was based upon the forest resources of the country.

As in the case of the fur industry, the original lumbermen were farmers who worked in their own wood lots and in the ungranted lands. But the forests kept on retreating; increasingly, therefore, the operators became millowners who erected their plants near fall-river lines, used water power, and installed power-driven saws. Lumbering became localized in the northern New England coast region from Boston to the Kennebec River in Maine, and also in New Hampshire, the Hudson Valley of New York, Pennsylvania, and North Carolina. South Carolina became the chief center for the production of naval stores.

Shipbuilding. Colonial shipbuilding became a significant industry. Shipyards sprang up along the New England coast—from Massachusetts to Maine—and were also to be found in New York and Philadelphia. In the seventeenth century, Boston and Salem were the leading building centers, and, as far as smaller vessels were concerned, continued to hold their preeminence into the eighteenth century. In the decades before the Revolution, Philadelphia became more important for the construction of larger ships.

A variety of reasons account for the importance of shipbuilding in America's early economy. The fishing industry depended upon it. Shipping did not become an independent business until the nineteenth century; the earlier merchants had to own their own ships. Wrecks and losses from brigandage were high because piracy continued to flourish on the Spanish Main (Caribbean Sea) until the seventeenth century and in the Mediterranean and Red Seas throughout the eighteenth century. Ships were very small: having limited capital, the owners had to diversify their risks among a number of vessels; the art of port improvement was in its infancy; and, as interior roads were few, transatlantic ships must be small enough to go right up the Connecticut River to Hartford, for example. Boats in the fishing industry were not more than 10 tons; those in the West India trade ran from 24 to 60 tons; and those in the transatlantic trade averaged about 125 tons.

Colonial shipyards were encouraged by the mother country because of its own failing timber supply. Skilled shipwrights were permitted to emigrate; bounties were offered for the making of yards and masts in 1705 and 1709; and in the 1720s England refused to yield before the clamor of its own shipbuilders that the importation of American vessels be stopped. Consequently, at the outbreak of the Revolution, at least 75 percent of the colonial foreign trade moved in American bottoms; and at least 30 percent of the whole English merchant marine had been constructed in American yards.

Fishing and Whaling. The colonials—the New Englanders particularly—became fishermen from the very beginning. Their soil was inhospitable and the raising of meat products

was therefore difficult. Moreover, many had been trained in the fishing fleets of the English West Country. They fished to eat and they fished to sell. They fished mackerel, bass, herring, halibut, sturgeon and, above all, the mighty cod. Boston, Gloucester, and Salem were the leading fishing centers in the seventeenth century; Ipswich, Yarmouth, Chatham and notably Marblehead joined their company in the eighteenth century.

At first, operations were on a small scale and seamen shared in the catches with owners. Before the first half of the seventeenth century was over, West Country rivals had been driven out of the New England home waters; and, as the market expanded, New Englanders themselves ventured out to the Newfoundland Banks, the Nova Scotia coast, and the St. Lawrence Gulf. Ships became larger; and outfitting and provisioning them for long journeys required fairly large capital funds. Therefore, Boston and Salem merchants bought shares in the ships and began to handle the trade at both ends. They sent up cargoes of salt, tackle, packed meats, lumber, and rum to the Newfoundland fisherman (who were English, French, and Colonial); and they moved the packed and salted fish into foreign trade. The better grades of fish (so-called merchantable) were sold to the Catholic countries of Spain, Portugal, Italy, and Ireland and to the Madeira and Canary Islands. The poorer grades (so-called refuse) went to the West Indies as the basic food of the Negro slaves working on the sugar plantations. By the end of the seventeenth century, New England's exports of fish exceeded those of the mother country. In the decade before the Revolution, there were 665 vessels in New England fishing fleets and another 350 vessels that carried the fish into foreign commerce.

The hunting of whales was another enterprise linked with the fisheries. Whales were common off the New England coast and in the beginning they were harpooned and towed to shore, where their oil was extracted. This oil was the chief source of illuminants and lubricants up to the appearance of petroleum products in the 1850s. The whalebone (called fins) was largely exported to be made into buttons, supports for stays, and the like. Plymouth, Salem, the eastern Long Island towns and, most important of all, Nantucket, became the center of the industry. Beginning with the second quarter of the eighteenth century, as the whaling grounds spread out as far as the eastern South American coast and even into the Arctic, the whalers became larger. Before the revolution, at least 360 vessels were employed in the industry; and something like 4,000 tons of whale oil was being shipped annually to England.

The Milling Industries. Flour milling became an industry early in colonial times. Mills were to be found on the many small streams existing all over the colonies. In the beginning, the miller was also a farmer. He ground the grain for his neighbors for a proportion of the meal, receiving in New England about one twelfth of the meal and in the South, about one sixth. Soon, however, grains began to be produced in surplus, and a large foreign market developed for flour. The Connecticut Valley produced small surpluses for the West India trade; notably New York and Pennsylvania became great granaries from which grains and flour moved into commerce. Milling operations therefore expanded and the miller became a full-fledged businessman. He increased the size of his plant; he erected a bolting plant (to remove the impurities from the meal); he put up a cooperage works (to pack his own flour); and sometimes he added bake ovens. And because he was paid in meal and flour, the next step was to become a shipper in his own right. In the Connecticut Valley, on Long Island, and in Philadelphia, particularly, the functions of these businessmen began to multiply. They ground malt and made paper out of linen rags. They handled local grain on commission and sold bolted flour in the domestic and West India markets. They operated retail stores (sometimes in a chain), where they traded foreign wares for country produce. And they became local private bank-

ers, advancing store credit to their customers on notes and farm credit on mortgages.

The Iron Industry. Iron production was a significant industry in colonial America but it turned out for the most part heavy iron. Hardware as we understand it—cutlery, finer tools (as well as wire and pins)—was not manufactured here; in fact, it ranked next to textiles as the outstanding import from England. The existence of bog-iron deposits everywhere and of surface outcroppings of ore veins in Virginia, Maryland, and Pennsylvania quickly attracted attention to the possibilities of iron exploitation. Early experiments with ironworks—in Virginia in 1622 and in Massachusetts in 1641—were failures. By the eighteenth century, however, there were many forges and furnaces in Virginia, Maryland, New York, New Jersey, and Massachusetts.

It was Pennsylvania, however, that became the great iron center of colonial America. The industry was organized around the so-called plantation. The ironmaster, that is to say, lived and worked in the country, and he was also, therefore, a miller, an orchardist, a grain grower, and a sheepherder. Why was he a country man? Small ironworks were erected near ore veins and limestone beds; when these were exhausted superficially—for shaft-mining did not become common until the nineteenth century—the furnaces and forges were abandoned. Furthermore, the basic fuel mixed with the ore and limestone was charcoal, made from the burning of wood. It was important, therefore, that ironmaking take place in heavily forested regions. The industry was never adequately capitalized, and the problem of obtaining working capital was particularly vexatious. As a result, the ironmaster was compelled to domicile his workers and pay them wages in truck out of his own store—in meal and flour, cloth, shoes, rum, bacon, molasses, and notions.

A Pennsylvania plantation ran to several thousands of acres of land. Here were the mines, the charcoal houses, the homes of the workers, the store and office of the master, the farm buildings, the gristmill and sawmill—and the furnace and the forge. The blast furnace produced pig iron and out of this was cast hollow ware—that is to say, pots, pans, stove plates, and firebacks. The forge was used to refine and hammer the pig iron into blooms, or bars, and these were sold to blacksmiths—as so-called merchant iron—to be made into axes, hoes, shovels, chains, and scythes. For finer purposes, bar iron was sold to various kinds of mills located in the towns. Slitting mills made nails. Plating mills hammered bar iron into sheet iron. Steel furnaces fabricated small amounts of blister steel for the manufacture of tools. But the wrought-iron industry was a small one in colonial America.

The capital for the Pennsylvania industry came usually from slow accumulations or from the profits of commerce. Philadelphia merchants bought partnerships in ironworks or built their own plants to be run by managers. Properties were frequently very large. In the 1770s, for example, the Durham Iron Works sold for £12,000. Because England needed heavy iron badly, mercantilist policy did not frown on the investment of overseas capital in American ironworks. Two spectacular ventures were embarked on in the middle of the eighteenth century—one by Peter Hasenclever in New York and New Jersey and the other by William Henry Stiegel in Pennsylvania—but both failed. One was successful: the Principio Company of Maryland, launched in 1724 with English capital and in which George Washington's father was interested. In time it acquired 30,000 acres of ore lands and owned many furnaces and forges; at the outbreak of the Revolution its properties were worth £100,000.

After the 1720s, the American iron industry began to attract English attention but, because of the struggle between the English ironmongers and the English ironmasters, thirty years were to elapse before a policy was devised. The ironmongers sought the encouragement of colonial ironworks so that they might get their pigs, bars, and blooms cheaply in America; the ironmasters sought to eliminate this competi-

tion and demanded that insurmountable barriers be erected. While the Parliament debated, colonials—during the 1740s—began to build rolling and slitting mills and plating forges of their own. England took alarm, and in 1750 the Iron Act was passed in the interests of her ironmongers: American pigs were placed on the free list and bars could enter the port of London duty free; also, the erection of new slitting and rolling mills, plating forges, and steel furnaces was forbidden. Exports, to England, however, failed to expand.

5. *COLONIAL AGRICULTURE*

In addition to growing crops to feed themselves and their livestock, the colonial farmers soon began to produce surpluses for local and distant markets. That is, the great colonial staple producers—the tobacco planters of Maryland and Virginia, the rice growers of South Carolina, the wheat farmers of New York and Pennsylvania—were also general farmers. They raised corn, beans, and peas, as well as cattle, hogs, and poultry, and they also engaged in orcharding. They entered the market for the purchase of foods and feeds to a much lesser extent than is true today.

With these qualifications, we may, nevertheless, say that specialization existed in colonial agriculture. From 1612 on, when the first tobacco harvest was brought in, tobacco was the great money crop of American agriculture. Its cultivation spread through the whole of Virginia and Maryland and into a part of North Carolina. This tobacco was sold to London and, later, too, to outport merchants (Bristol, Liverpool, Plymouth and Glasgow). From England and Scotland as much as 90 percent of it was reexported to the European continent. The second great money crop was wheat, and here, too, there was specialization functionally and regionally. In the seventeenth century, a good deal of surplus wheat was raised in New England's Connecticut Valley. In the eighteenth century, however, the Middle colonies of New York, New Jersey, and Pennsylvania became colonial America's rich granary. A third money crop was rice, produced in South Carolina, Georgia, and a stretch of the North Carolina coastal plain. With it—for the growing seasons complemented each other—on the same plantations appeared indigo. Both of these were developments of the eighteenth century and were ideal mercantilist crops, rice going to the mother country and also to southern Europe, and indigo going to the mother country to serve the requirements of the important cloth-making industry.

New England Farming. Diversified agriculture, in a commercial sense, appeared everywhere. By the eighteenth century, even in New England with its stubborn soil, cash crops were being produced. Beef cattle, hogs, and work animals were being raised. Dairying and sheepherding, on a small scale, were engaging farmers. And country produce—cheeses, dried fruits, flaxseed, honey—was being collected by the retail storekeepers of the Connecticut Valley for sale in New York and Boston. In addition to wheat specialization, the farmers of the Middle colonies produced beef and pork and work animals—and these products, too, were being sent into local and foreign markets.

Of the three regions, as far as agricultural developments was concerned, it was New England that lagged behind. This was not simply due to a difficult terrain; nor was it caused by ignorance of scientific agriculture. New Englanders knew of the work of the great English innovators Tull, Bakewell, Coke and Townshend, who, in the mother country in the seventeenth and eighteenth centuries, had been the leaders of a profound agricultural revolution. But the introduction of such innovations required an intensive husbandry and a large labor supply; and labor was dear

in colonial America. Therefore, colonial New Englanders found that returns on capital were likely to be greater from investments in shipbuilding and the fishing, molasses, rum, and slave trades.

We are to see the typical New England farmer engaged in general farming, utilizing extensive tillage, and producing surpluses in relatively small quantities to satisfy requirements for cash. Yet, when all the surplus crops entering the market were put together, they made up a very large amount of goods. The New England farm had been created by long and bitter labor. The trees of the original forests had to be girdled first to kill them; they were then cut down and their stumps were pulled up. The glacial stones also had to be removed. In the clearings, Indian corn was planted. This crop was the salvation of the pioneering farmer; for the land did not have to be thoroughly plowed to receive the grain, and because it was cultivated in hills it could be planted among the tree stumps. Its growing season was short; its yield, in proportion to seed, was great; and it was an ideal food for man and beast. With corn, beans could be grown, for the vines run up the stalks; while pumpkin seeds were sown between the corn plants. The stalks, too, were cut and employed as animal fodder.

After the land had been entirely cleared and thoroughly turned over, the New England farmer was likely to plant the small grains, that is to say, rye, barley, oats, buckwheat, and wheat. Wheat was the most important, because of the presence of a market for flour. In this case, the growing season was longer and the tasks more difficult. The size of the crop was based upon the amount of grain the farmer and his sons could cut by hand, the average productivity being five acres per person. When the cradle scythe was introduced, toward the end of the colonial period, productivity per person was doubled, a remarkable achievement indeed.

The usual complement of livestock was to be found. Horses and oxen were raised for the home ploughing, although in the eighteenth century sizable quantities of work animals were being exported out of New England into the West India trade. Beef and dairy cattle and hogs also abounded. No effort was made at scientific breeding. The animals were small, their meat tough, and the dairy cows gave little milk. Such as was obtained was used for conversion into butter and cheese. The hogs, in particular, were more closely linked to their ancestors, the wild boars, than to the great porkers of modern times. Fierce, quick animals with long legs, they were permitted to forage for themselves in the forests and the harvested fields. During the eighteenth century, in particular areas, notably in the Connecticut Valley and in the Narragansett country of Rhode Island, a larger preoccupation with meat animals began to appear. Cattle were being fattened for market (usually on corn; by a few more advanced farmers on timothy, the first artificial grass grown in America) and turned over to drovers who brought them into Boston and New York. The animals were slaughtered and packed for the West India trade.

Except for the Rhode Island plantations, New England farms were small, running from 10 to 100 acres. A 200-acre farm was a large property. In eastern New England, original settlements were in villages with arable fields unfenced, although strips were owned in fee simple. But strip tillage was abandoned before the seventeenth century was over and farms soon came to be consolidated. In the newer communities of the back country—of western New England, New Hampshire, Vermont, and Maine—the isolated American farmhouse, set in the center of its own acres, at once made its appearance.

Farming in the Middle Colonies. In the Middle colonies of New York, New Jersey, and Pennsylvania, commercial agriculture developed on a more significant scale. Indeed specialization, with the general qualifications mentioned, had set in fully by the eighteenth century. Farms were larger in size—the fam-

ily farm running to 200 acres, the great estate being made up of several thousand acres. In New York, on Long Island, in New Jersey, and Pennsylvania, the village never took hold, so that farm properties, in the typical American fashion, were consolidated from the very beginning. Soil and climatic conditions were more favorable; because of this, and because redemptioners flocked into Pennsylvania, farms could be larger and herds greater. Too, proximity to the many excellent seaports encouraged the growth of agricultural products for the West India trade. As a result, during the eighteenth century, the Middle colonies were turning out large quantities of surplus grains which were being milled, bolted, and packed for sale to New England, the West Indies, Newfoundland, the Azores, and sometimes even to Europe. The Middle colonies, like New England, raised beef and dairy cattle, hogs and work animals, and moved them and their products into the foreign trade.

Farming in the Southern Colonies. In Maryland, Virginia, the Carolinas, and Georgia, agriculture was operated on a commercial basis even to a greater extent than in the Middle colonies. Particularly this was true of Maryland, Virginia, and South Carolina, where the plantation form of organization as a rule prevailed. Of course, there were small general farmers in the back countries of these colonies; and general farming was the rule in Georgia and North Carolina. On the plantations—large farms running over 1,000 acres—the great colonial staples of tobacco, rice, and indigo were grown. On the smaller family farms the products were tobacco, grains, and cattle; these, too, by the eighteenth century, were being sent to markets.

Tobacco. Tobacco was the leading cash crop of colonial America, just as sugar was that of the West Indies. Tobacco was grown on the plantation, as cotton was subsequently; and, because the plantation form of agricultural organization was tied up so closely with the methods and problems of the Southern agriculturists, it is important that it be described carefully. The plantation, in the first place, was a large operating farm plant under unified direction. Therefore, it was unlike an estate, which was worked by tenants who paid in cash or kind and who devised their own planting programs. The plantation concentrated on a single cash crop; although in colonial America (unlike the antebellum Southern plantation) food and feed crops were also being raised for home consumption. Perhaps most important, the plantation, as a distinctive form, used an unfree labor supply. The capital of the planter was not invested in land and the improvement of its techniques (machine planting, cultivating, and harvesting, irrigation, soil conservation) so much as it was in the maintenance of a permanent labor force. In other words, because land was cheap and easily available, the holding was large. This means, as in the case of colonial tobacco, that the planter single-cropped his cultivated acres until he had depleted their fertility, and then he moved on to new fields. Why did he single crop? The labor force was usually unskilled; and because it represented capital investment, it must produce annual income. Therefore, the planter employed indentured servants or slaves (or, in modern times, share croppers), either buying their services for a brief time or their lives forever, attaching them to the plantation. Thus, plantation agriculture is an exploitative economy that appears in new countries where land is readily available; where capital is relatively scarce (so that diversification is not easily possible); and where surpluses of funds can be invested in a growing labor force. And all because plantation products—sugar, tobacco, cotton, rice, rubber, tea, coffee—can be poured into vast markets.

This plantation economy took firm root in the colonial South from the beginning. It attracted capital; hence, the top rank of settlers, who came to Virginia, Maryland and South Carolina, had larger means than was true of the New England settlers. It worked in well with the basic requirements of the Mercantile

System. Sugar, rice, and indigo were products England had to depend upon the outside world to provide. Tobacco gave the mother country a great export commodity to move into Europe and thus obtain an even more favorable balance of trade. The more plantation wares were shipped to England, the greater could be the outflow of English manufactured articles into these settlements. These Southern colonies also provided an outlet to which might be transported, at the expense of the planter, those uprooted populations whose idleness at home was such a source of concern to seventeenth-century England.

Tobacco was the first and for almost two centuries the most important cash crop of the South. It was made known to Europeans when Columbus discovered its cultivation by the Indians in the West Indies, and it was transplanted to England in the sixteenth century. In Virginia, the crop appeared early —in 1612, in fact. It was introduced into Maryland in the 1630s and into the Albemarle Sound region of North Carolina in the 1660s. Virginia and Maryland, however, constituted the tobacco kingdom of the colonial period. Tobacco cultivation grew and grew. In the late 1630s, London was receiving annually 1,400,000 pounds of tobacco from Virginia. In the 1690s, Virginia and Maryland were growing a total of 40,000,000 pounds. On the eve of the Revolution, Virginia was sending to London and the outports 55,000,000 pounds annually and the Maryland export came to 30,000,000 pounds. In England and Scotland the leaves were processed and sold in the home market or reexported in bulk to the European continent.

The growing of tobacco was a fairly simple matter and therefore could be taught to the unskilled laborers of the plantation. In the colonial period, tillage was extensive: there was no rotation, no fertilization, no effort to conserve the soil. After three or four plantings, a field was used up and operations were moved to another section of the holding. And because the plant could be grown so easily, the area of cultivation was rapidly expanded. There were, therefore, recurrent cycles of overproduction with accompanying price declines and widespread distress. Hard times were experienced by tobacco planters during 1684–94, 1703–13, 1724–36, and 1756–65. In 1773, on the eve of the Revolution, the growers were once more in a bad way. Depression was accompanied by pyramiding of debt, consignment of future crops to creditors and overplanting.

In line with mercantilist tradition, the colonial Virginia and Maryland governments did everything in their power to control production. As early as 1630, a Virginia statute sought to fix the planting area and the size of the crop per operating family. Later, efforts were made—because of the movement of cultivation into Maryland and North Carolina—to limit plantings by intercolonial agreements. These devices were unsuccessful. From time to time, mobs took matters into their own hands and destroyed standing tobacco. By 1640, legislation was already in existence in Virginia and Maryland providing for inspection systems; and public warehouses were maintained to assure standard quality, grading, and fair weight. In Virginia, in 1712 and again in 1730, inspection acts installed bonded inspectors at public warehouses who were required to get rid of inferior tobacco and were permitted to issue receipts against stored leaves. These receipts became negotiable and were accepted as public money for the payment of taxes and also as legal tender within restricted areas. Both colonies also tried to check the opening of new planting areas by imposing high taxes on the importation of Negroes and by interfering with the transportation of felons. Such measures, however, were disallowed by the Privy Council, in the interests of the great English slave-carrying trade.

The costs of plantation operation were high not only because of the increased costs of slaves but because the planter worked on credit. This was supplied by English mer-

chants partly because interest rates were twice those prevailing in England and because mortgages could be taken on land and Negroes and liens on crops. In time, almost all the business transactions of the South came to be controlled by London and outport merchants. These were some of the functions performed by the English merchants. If he was a London merchant, he took the crop of the planter on consignment and charged him a commission of 2½ percent for handling; this fee, it must be noted, was on the English wholesale price and not on the price at the farm. He also furnished his planter-customer the goods he required for the maintenance of home and farm, charging interest of 2½ percent for the book credit extended. If he was an outport merchant, he maintained colonial warehouses for the storage of goods and these were withdrawn at the order of local correspondents resident in the colonies. Again, there were charges for book credit. The merchant was the banker for his correspondent; acting as his depository, accepting his bills of exchange, and always advancing credit. Not infrequently, the English merchant operated through a representative in the colonies. This person was known as a factor. Sometimes the factor was an employee of the merchant; sometimes he was a colonial merchant or planter who worked on commission for his English principal. The English merchant was banker, commission man, insurance broker, shipper, and supply house all rolled into one.

Under such a regimen, it is doubtful if the planters in the long run made any money. The fact is, they fell deeper and deeper into debt to the English merchants. At the outbreak of the Revolution, colonial debts due English merchants came to about £5,000,000, at least five sixths of which were owed by the Southern planters. The upshot was constant irritation. The dependence of the planters upon book credit and the high interest charges they were forced to pay made them chafe under the limitations of the Mercantile System. As we shall see, demands for the widening of the credit base and for inflation became increasingly common. Southern planters entertained strong suspicions that London merchants were combining to control prices. Often, the rigid price of tobacco, despite fluctuations in the crop, and the high prices for necessaries which colonials were compelled to pay, pointed to the operations of rings. Constantly weighed down by debt, it was small wonder that the colonial planters sought to expand their activities by pushing out their tobacco lands and by throwing themselves into the land-speculation business.

Western Land Speculation. Colonial men of means were interested in western lands; but so, by the middle of the eighteenth century, were English and Scottish merchants. The successful termination of the Seven Years' War and the expulsion of the French from the Illinois country brought these rivalries to a head. The Proclamation Line of 1763 closed the western domain to colonial enterprising and the Quebec Act of 1774 put the administration of the conquered territory and control over the fur trade under Montreal. The English were to be favored as against the colonials in the exploitation of western wild lands. One of the important props of the colonial plantation system—the dealing in new lands—was being removed.

Such was the Old World the European emigrants left and such the New World the American settlers founded.

THE ENGLISH BACKGROUND

ENGLISH SOCIETY

THE VOGUE of Holinshed's *Chronicles*, which first appeared in the decade before the defeat of the Armada, marks the emergence of an English public literate in the vernacular and eager to read about the world in which it lived. The *Chronicles* climaxes its cooperative account of England's past with the Reverend William Harrison's (1534–1593) description of the society of his own time.

Harrison's England—Shakespeare's England and the land that molded the first English migrants to the New World—was a turbulent society straining against its medieval framework. The body of simple men was sharply divided from those who ranked as gentle because they could "live of their own without manual labor," and gentlemen themselves were ranged in order of dignity. Yet, it was no static society Harrison was describing; rather, it was an era of extraordinary change. His were the "spacious days of great Elizabeth," a period of expanding trade and a new prosperity which was bringing new men to power. Prices rose. Changes in the standard of living bore hard on the income of those who did not adapt themselves to new ways. Harrison complains of the high cost of living induced by the government's policy of protecting English shipping; he hints at new difficulties facing those who lived by the land. He glories in the achievements of his time; yet he speaks—at least there is an implicit resentment—against those elements which were pressing against the barriers that formed a hierarchically organized society.

Foreign travel was corrupting English youth. The new fashion of making the "grand tour" took gentlemen's sons out of the realm into Italy, from which they returned with forks and fine clothes and page boys strutting at their heels. Bad as was such corruption of manners among the gentry, the lower classes presented an even more serious problem.

For whatever innovations may have occurred, the fundamentals stand unaltered: there is a class born to rule and another that is "to be ruled and not to rule others." Into the second category fall all men who work with their hands. These are to be ruled in their comings and their goings, subject to the Statute of Artificers in their working lives and to the parish overseers of the poor if work failed. All men who were not artisans or apprenticed to them might be required to serve as agricultural laborers on demand. Their wages, hours, and term of service were fixed by law. And that law was enforced by the justices of the peace, local landowners directly or indirectly the employers of the laborers whose lives they were making. If a laborer refused the work offered, he might expect the whip or the house of correction, for his freedom of movement was hampered not only by laws against vagrants, but by restrictions on the residence of landless men. As each parish was compelled to provide for its own poor, each tried to limit the number of those who could claim settlement and thus increase the tax paid for the support of the aged, infirm, and unemployed.

The Elizabethan Poor Law of 1601 was not yet completely formulated when Harrison surveyed his England, but the Statute of Artificers had been on the books since 1563. Yet England's muddy roads were still walked by "vagrom men": the incompetent, the restless, the dispossessed; soldiers home from the wars in Flanders; cottagers and copyholders driven from their land as farming gave way to the

more profitable activity of sheep-raising; men of no trade and men whose trades were falling into disuse.

Behind Harrison's list of the varieties of that "rabble" and his hints at the tricks and dodges by which they lived is to be found the story of too many men for the usable land. A pool of surplus manpower was accumulating in England. Out of that pool would push the enterprising, the discontented, the adventurous, men who had fallen and men who wanted to rise, men too forthright for the Elizabethan compromise in religion and morality. This was the England the original settlers of America were leaving behind.

The chapters that follow are from William Harrison's "An Historical Description of the Island of Britain with a Brief Rehearsal of the Nature and Qualities of the People of England," in Holinshed's *Chronicles* (originally published in London in 1586). The edition used here is the London one of 1807.

The Description of England

By William Harrison

Chapter V: Of Degrees of People in the Commonwealth of England

We in England diuide our people commonlie into foure sorts, as gentlemen, citizens or burgesses, yeomen, which are artificers, or laborers. Of gentlemen the first and chéefe (next the king) be the prince, dukes, marquesses, earls, viscounts, and barons: and these are called gentlemen of the greater sort, or (as our common vsage of spéech is) lords and noblemen.

Gentlemen be those whome their race and bloud, or at the least their vertues doo make noble and knowne. The Latines call them Nobiles & generosos, as the French do Nobles or Gentlehommes. The etymologie of the name expoundeth the efficacie of the word: for as Gens in Latine betokeneth the race and surname: so the Romans had Cornelios, Sergios, Appios, Curios, Papyrios, Scipiones, Fabios, Æmilios, Iulios, Brutos, &c: of which, who were Agnati, and therefore kept the name, were also called Gentiles, gentlemen of that or that house and race.

Moreouer as the king dooth dubbe knights, and createth the barons and higher degrees, so gentlemen whose ancestors are not knowen to come in with William duke of Normandie (for of the Saxon races yet remaining we now make none accompt, much lesse of the British issue) doo take their beginning in England, after this maner in our times. Who soeuer studieth the lawes of the realme, who so abideth in the vniuersitie giuing his mind to his booke, or professeth physicke and the liberall sciences, or beside his seruice in the roome of a capteine in the warres, or good counsell giuen at home, whereby his common-wealth is benefited, can liue without manuell labour, and thereto is able and will beare the port, charge, and countenance of a gentleman, he shall for monie haue a cote and armes bestowed vpon him by heralds (who in the charter of the same doo of custome pretend antiquitie and seruice, and manie gaie things) and therevnto being made so good cheape be called master, which is the title that men giue to esquiers and gentlemen, and reputed for a gentleman euer after. Which is so much the lesse to be disalowed of, for that the prince dooth loose nothing by it, the gentleman being so much subiect to taxes and publike paiments as is the yeoman or husbandman, which he likewise dooth beare the gladlier for the sauing of his reputation. Being called also to the warres (for with the gouernment of the common-wealth he medleth litle) what soeuer it cost him, he will both arraie & arme himselfe accordinglie, and shew the more manly courage, and all the tokens of the person which he representeth. No man hath hurt by it but himselfe, who peraduenture will go in wider buskens than his legs will beare, or as our prouerbe saith, now and then beare a bigger saile than his boat is able to susteine.

Certes the making of new gentlemen bred great strife sometimes amongst the Romans, I meane when those which were Noui homines, were more allowed of for their vertues newlie séene and shewed, than the old smell of ancient race, latelie defaced by the cowardise & euill life of their nephues & defendants could make the other to be. But as enuie hath no affinitie with iustice and equitie, so it forceth not what language the malicious doo giue out, against such as are exalted for their wisdomes. This neuerthelesse is generallie to

be reprehended in all estates of gentilitie, and which in short time will turne to the great ruine of our countrie, and that is the vsuall sending of noblemens & meane gentlemens sonnes into Italie, from whence they bring home nothing but meere atheisme, infidelitie, vicious conuersation, & ambitious and proud behauiour, wherby it commeth to passe that they returne far worsse men than they went out. A gentleman at this present is newlie come out of Italie, who went thither an earnest protestant, but comming home he could saie after this maner: Faith & truth is to be kept, where no losse or hinderance of a further purpose is susteined by holding of the same; and forgiuenesse onelie to be shewed when full reuenge is made. Another no lesse forward than he, at his returne from thence could ad thus much; He is a foole that maketh accompt of any religion, but more foole that will loose anie part of his wealth, or will come in trouble for constant leaning to anie; but if he yéeld to loose his life for his possession, he is stark mad, and worthie to be taken for most foole of all the rest. This gaie bootie gate these gentlemen by going into Italie, and hereby a man may see what fruit is afterward to be looked for where such blossoms doo appéere. I care not (saith a third) what you talke to me of God, so as I may haue the prince & the lawes of the realme on my side. Such men as this last, are easilie knowen; for they haue learned in Italie, to go vp and downe also in England, with pages at their héeles finelie apparelled, whose face and countenance shall be such as sheweth the master not to be blind in his choise. But least I should offend too much, I passe ouer to saie anie more of these Italionates and their demeanor, which alas is too open and manifest to the world, and yet not called into question.

Citizens and burgesses haue next place to gentlemen, who be those that are free within the cities, and are of some likelie substance to beare office in the same. But these citizens or burgesses are to serue the commonwealth in their cities and boroughs, or in corporat townes where they dwell. And in the common assemblie of the realme wherein our lawes are made, for in the counties they beare but little swaie (which assemblie is called the high court of parlement) the ancient cities appoint foure, and the boroughs two burgesses to haue voices in it, and giue their consent or dissent vnto such things as passe or staie there in the name of the citie or borow, for which they are appointed.

In this place also are our merchants to be installed, as amongst the citizens (although they often change estate with gentlemen, as gentlemen doo with them, by a mutuall conuersion of the one into the other) whose number is so increased in these our daies, that their onelie maintenance is the cause of the exceeding prices of forreine wares, which otherwise when euerie nation was permitted to bring in hir owne commodities, were farre better cheape and more plentifullie to be had. Of the want of our commodities here at home, by their great transportation of them into other countries, I speake not, sith the matter will easilie bewraie it selfe. Certes among the Lacedemonians it was found out, that great numbers of merchants were nothing to the furtherance of the state of the commonwealth: wherefore it is to be wished that the huge heape of them were somewhat restreined, as also of our lawiers, so should the rest liue more easilie vpon their owne, and few honest chapmen be brought to decaie, by breaking of the bankerupt. I doo not denie but that the nauie of the land is in part mainteined by their traffike, and so are the high prices of wares kept vp now they haue gotten the onelie sale of things, vpon pretense of better furtherance of the common-wealth into their owne hands: whereas in times past when the strange bottoms were suffered to come in, we had sugar for foure pence the pound, that now at the writing of this treatise is well worth halfe a crowne, raisons or corints for a penie that now are holden at six pence, and sometime at eight pence and ten pence the pound: nutmegs at two pence halfe penie the ounce: ginger at a penie an ounce, prunes at halfe penie farding: great raisons three pound for a penie, cinamon at foure pence the ounce, cloues at two pence, and pepper at twelue, and sixteene pence the pound. Whereby we may sée the sequele of things not alwaies but verie seldome to be such as is pretended in the beginning. The wares that they carrie out of the realme, are for the most part brode clothes and carsies of all colours, likewise cottons, frécses, rugs, tin, wooll, our best béere, baies, bustian, mockadoes tufted and plaine, rash, lead, fells, &c: which being shipped at sundrie ports of our coasts, are borne from thence into all quarters of the world, and there either exchanged for other wares or readie monie: to the great gaine and commoditie of our merchants. And whereas in times past their cheefe trade was into Spaine, Portingall, France, Flanders, Danske, Norwaie, Scotland, and Iseland onelie: now in these daies, as men not contented with these iournies, they haue sought out the east and west Indies, and made now and then suspicious voiages not onelie vnto the Canaries, and new Spaine, but likewise into Cathaia, Moscouia, Tartaria, and the regions thereabout, from

whence (as they saie) they bring home great commodities. But alas I sée not by all their trauell that the prices of things are anie whit abated. Certes this enormitie (for so I doo accompt of it) was sufficientlie prouided for, An. 9 Edward 3. by a noble estatute made in that behalfe, but vpon what occasion the generall execution thereof is staied or not called on, in good sooth I cannot tell. This onelie I know, that euerie function and seuerall vocation striueth with other, which of them should haue all the water of commoditie run into hir owne cesterne.

Yeomen are those, which by our law are called Legales homines, free men borne English, and may dispend of their owne frée land in yearelie reuenue, to the summe of fortie shillings sterling, or six pounds as monie goeth in our times. Some are of the opinion by Cap. 2. Rich. 2. an. 20. that they are the same which the French men call varlets, but as that phrase is vsed in my time it is farre vnlikelie to be so. The truth is that the word is deriued from the Saxon terme Zeoman or Geoman, which signifieth (as I haue read) a settled or staid man, such I meane as being maried and of some yeares, betaketh himselfe to staie in the place of his abode for the better maintenance of himselfe and his familie, whereof the single sort haue no regard, but are likelie to be still fleeting now hither now thither, which argueth want of stabilitie in determination and resolution of iudgement, for the execution of things of anie importance. This sort of people haue a certeine preheminence, and more estimation than labourers & the common sort of artificers, & these commonlie liue wealthilie, kéepe good houses, and trauell to get riches. They are also for the most part farmers to gentlemen (in old time called Pagani, & opponuntur militibus, and therfore Persius calleth himselfe Semipaganus) or at the leastwise artificers, & with grasing, frequenting of markets, and kéeping of seruants (not idle seruants as the gentlemen doo, but such as get both their owne and part of their masters liuing) do come to great welth, in somuch that manie of them are able and doo buie the lands of vnthriftie gentlemen, and often setting their sonnes to the schooles, to the vniuersities, and to the Ins of the court; or otherwise leauing them sufficient lands wherevpon they may liue without labour, doo make them by those meanes to become gentlemen: these were they that in times past made all France afraid. And albeit they be not called master as gentlemen are, or sir as to knights apperteineth, but onelie Iohn and Thomas, &c: yet haue they beene found to haue doone verie good seruice: and the kings of England in foughten battels, were woont to remaine among them (who were their footmen) as the French kings did amongst their horssemen: the prince thereby shewing where his chiefe strength did consist.

The fourth and last sort of people in England are daie labourers, poore husbandmen, and some retailers (which haue no frée land) copie holders, and all artificers, as tailers, shomakers, carpenters, brickmakers, masons, &c. As for slaues and bondmen we haue none, naie such is the priuilege of our countrie by the especiall grace of God, and bountie of our princes, that if anie come hither from other realms, so soone as they set foot on land they become so frée of condition as their masters, whereby all note of seruile bondage is vtterlie remooued from them, wherein we resemble (not the Germans who had slaues also, though such as in respect of the slaues of other countries might well be reputed frée, but) the old Indians and the Taprobanes, who supposed it a great iniurie to nature to make or suffer them to be bond, whome she in hir woonted course dooth product and bring foorth frée. This fourth and last sort of people therefore haue neither voice nor authoritie in the common wealth, but are to be ruled, and not to rule other: yet they are not altogither neglected, for in cities and corporat townes, for default of yeomen they are faine to make up their inquests of such maner of people. And in villages they are commonlie made churchwardens, sidemen, aleconners, now and then constables, and manie times inioie the name of hedboroughes. Vnto this sort also may our great swarmes of idle seruing men be referred, of whome there runneth a prouerbe; Yoong seruing men old beggers, bicause seruice is none heritage. These men are profitable to none, for if their condition be well perused, they are enimies to their masters, to their freends, and to themselues: for by them oftentimes their masters are incouraged vnto vnlawfull exactions of their tenants, their fréends brought vnto pouertie by their rents inhanced, and they themselues brought to confusion by their owne prodigalitie and errors, as men that hauing not wherewith of their owne to mainteine their excesses, doo search in high waies, budgets, cofers, males, and stables, which way to supplie their wants. How diuerse of them also coueting to beare an high saile doo insinuate themselues with yoong gentlemen and noble men newlie come to their lands, the case is too much apparant, whereby the good natures of the parties are not onelie a little impaired, but also their liuelihoods and reuenues so wasted and consumed, that if at all yet not in manie yeares they shall be able to recouer themselues. It were verie good therefore

that the superfluous heapes of them were in part diminished. And sith necessitie inforceth to haue some, yet let wisdome moderate their numbers, so shall their masters be rid of vnnecessarie charge, and the common wealth of manie théeues. No nation cherisheth such store of them as we doo here in England, in hope of which maintenance manie giue themselues to idlenesse, that otherwise would be brought to labour, and liue in order like subiects. Of their whoredomes I will not speake anie thing at all, more than of their swearing, yet is it found that some of them doo make the first a cheefe piller of their building, consuming not onelie the goods but also the health & welfare of manie honest gentlemen, citizens, wealthie yeomen, &c: by such vnlawfull dealings. But how farre haue I waded in this point, or how farre may I saile in such a large sea? I will therefore now staie to speake anie more of those kind of men. In returning therefore to my matter, this furthermore among other things I haue to saie of our husbandmen and artificers, that they were neuer so excellent in their trades as at this present. But as the workemanship of the later sort was neuer more fine and curious to the eie, so was it neuer lesse strong and substantiall for continuance and benefit of the buiers. Neither is there anie thing that hurteth the common sort of our artificers more than hast, and a barbarous or slauish desire to turne the penie, and by ridding their worke to make spéedie vtterance of their wares: which inforceth them to bungle vp and dispatch manie things they care not how so they be out of their hands, whereby the buier is often sore defrauded, and findeth to his cost, that hast maketh wast, according to the prouerbe. . . .

Chapter X: Of Provision Made for the Poore

There is no common-wealth at this daie in Europe, wherin there is not great store of poore people, and those necessarilie to be relieued by the welthier sort, which otherwise would starue and come to vtter confusion. With vs the poore is commonlie diuided into thrée sorts, so that some are poore by impotencie, as the fatherlesse child, the aged, blind and lame, and the diseased person that is iudged to be incurable: the second are poore by casualtie, as the wounded souldier, the decaied householder, and the sicke person visited with grieuous and painefull diseases: the third consisteth of thriftlesse poore, as the riotour that hath consumed all, the vagabund that will abide no where, but runneth vp and downe from place to place (as it were séeking worke and finding none) and finallie the roge and strumpet which are not possible to be diuided in sunder, but runne too and fro ouer all the realme, chéefelie kéeping the champaine soiles in summer to auoid the scorching heat, and the woodland grounds in winter to eschew the blustering winds.

For the first two sorts, that is to saie, the poore by impotencie, and the poore by casualtie, which are the true poore in deed, and for whome the word dooth bind vs to make some dailie prouision: there is order taken through out euerie parish in the realme, that weekelie collection shall be made for their helpe and sustentation, to the end they should not scatter abroad, and by begging here and there annoie both towne and countrie. Authoritie also is giuen vnto the iustices in euerie countie, and great penalties appointed for such as make default, to sée that the intent of the statute in this behalfe be trulie executed, according to the purpose and meaning of the same, so that these two sorts are sufficientlie prouided for: and such as can liue within the limits of their allowance (as each one will doo that is godlie and well disposed) may well forbeare to rome and range about. But if they refuse to be supported by this benefit of the law, and will rather indeuour by going to and fro to mainteine their idle trades, then are they adiudged to be parcell of the third sort, and so in stéed of courteous refreshing at home, are often corrected with sharpe execution, and whip of iustice abroad. Manie there are, which notwithstanding the rigor of the lawes prouided in that behalfe, yéeld rather with this libertie (as they call it) to be dailie vnder the feare and terrour of the whip, than by abiding where they were borne or bred, to be prouided for by the deuotion of the parishes. I found not long since a note of these latter sort, the effect whereof insueth. Idle beggers are such either through other mens occasion, or through their owne default. By other mens occasion (as one waie for example) when some couetous man, such I meane as haue the cast or right veine, dailie to make beggers inough wherby to pester the land, espieng a further commoditie in their commons, holds, and tenures, dooth find such meanes as thereby to wipe manie out of their occupiengs, and turne the same vnto his priuate gaines. Herevpon it followeth, that although the wise and better minded, doo either forsake the realme for altogether, and seeke to liue in other countries, as France, Germanie, Barbarie, India, Moscouia, and verie Calecute, complaining of no roome to be left for them at home, doo so behaue themselues that they are worthilie to be accompted among the second sort: yet the greater part commonlie hauing nothing to staie vpon are wilfull, and there-

vpon doo either prooue idle beggers, or else continue starke théeues till the gallowes doo eat them vp, which is a lamentable case. Certes in some mans iudgements these things are but trifles, and not worthie the regarding. Some also doo grudge at the great increase of people in these daies, thinking a necessarie brood of cattell farre better than a superfluous augmentation of mankind. But I can liken such men best of all vnto the pope and the diuell, who practise the hinderance of the furniture of the number of the elect to their vttermost, to the end the authoritie of the one vpon earth, the deferring of the locking vp of the other in euerlasting chaines, and the great gaines of the first may continue and indure the longer. But if it should come to passe that any forren inuasion should be made, which the Lord God forbid for his mercies sake! then should these men find that a wall of men is farre better than stackes of corne and bags of monie, and complaine of the want when it is too late to séeke remedie. The like occasion caused the Romans to deuise their law Agraria: but the rich not liking of it, and the couetous vtterlie condemning it as rigorous and vnprofitable, neuer ceased to practise disturbance till it was quite abolished. But to proceed with my purpose.

Such as are idle beggers through their owne default are of two sorts, and continue their estates either by casuall or méere voluntarie meanes: those that are such by casuall means, are in the beginning iustlie to be referred either to the first or second sort of poore afore mentioned: but degenerating into the thriftlesse sort, they doo what they can to continue their miserie, and with such impediments as they haue to straie and wander about, as creatures abhorring all labour and euerie honest exercise. Certes I call these casuall meanes, not in respect of the originall of their pouertie, but of the continuance of the same, from whence they will not be deliuered, such is their owne vngratious lewdnesse, and froward disposition. The voluntarie meanes proceed from outward causes, as by making of corosiues, and applieng the same to the more fleshie parts of their bodies: and also laieng of ratsbane, spere-wort, crowfoot, and such like vnto their whole members, thereby to raise pitifull and odious sores, and mooue the harts of the goers by such places where they lie, to yerne at their miserie, and therevpon bestow large almesse vpon them. How artificiallie they beg, what forcible spéech, and how they select and choose out words of vehemencie, whereby they doo in maner coniure or adiure the goer by to pitie their cases, I passe ouer to remember, as iudging the name of God and Christ to be more conuersant in the mouths of none: and yet the presence of the heuenlie maiestie further off from no men than from this vngratious companie. Which maketh me to thinke that punishment is farre meeter for them than liberalitie or almesse, and sith Christ willeth vs cheeflie to haue a regard to himselfe and his poore members.

Vnto this nest is another sort to be referred, more sturdie than the rest, which hauing sound and perfect lims, doo yet notwithstanding sometime counterfeit the possession of all sorts of diseases. Diuerse times in their apparell also they will be like seruing men or laborers: oftentimes they can plaie the mariners, and séeke for ships which they neuer lost. But in fine, they are all théeues and caterpillers in the common-wealth, and by the word of God not permitted to eat, sith they doo but licke the sweat from the true labourers browes, & beereue the godlie poore of that which is due vnto them, to mainteine their excesse, consuming the charitie of well disposed people bestowed vpon them, after a most wicked & detestable maner.

It is not yet full thréescore yeares since this trade began: but how it hath prospered since that time, it is easie to iudge, for they are now supposed of one sex and another, to amount vnto aboue 10000 persons; as I haue heard reported. Moreouer, in counterfeiting the Egyptian roges, they haue deuised a language among themselues, which they name Canting, but other pedlers French, a speach compact thirtie yeares since of English, and a great number of od words of their owne deuising, without all order or reason: and yet such is it as none but themselues are able to vnderstand. The first deuiser thereof was hanged by the necke, a iust reward no doubt for his deserts, and a common end to all of that profession. A gentleman also of late hath taken great paines to search out the secret practises of this vngratious rable. And among other things he setteth downe and describeth thrée & twentie sorts of them, whose names it shall not be amisse to remember, wherby ech one may take occasion to read and know as also by his industrie what wicked people they are, and what villanie remaineth in them.

The seuerall disorders and degrees amongst our idle vagabonds

1. Rufflers
2. Vprightmen
3. Hookers or Anglers
4. Roges
5. Wild roges

6. Priggers or pransers
7. Palliards
8. Fraters
9. Abrams
10. Freshwater mariners, or whipiacks
11. Dummerers
12. Dtunken tinkers
13. Swadders or pedlers
14. Iarkemen or patricoes

Of women kind

1. Demanders for glimmar or fire
2. Baudie baskets
3. Mortes
4. Autem mortes
5. Walking mortes
6. Doxes
7. Delles
8. Kinching mortes
9. Kinching cooes

The punishment that is ordeined for this kind of people is verie sharpe, and yet it can not restreine them from their gadding: wherefore the end must néeds be martiall law, to be exercised vpon them, as vpon théeues, robbers, despisers of all lawes, and enimies to the common-wealth & welfare of the land. What notable roberies, pilferies, murders, rapes, and stealings of yoong children, burning, breaking and disfiguring their lims to make them pitifull in the sight of the people, I need not to rehearse: but for their idle roging about the countrie, the law ordeineth this maner of correction. The roge being apprehended, committed to prison, and tried in the next assises (whether they be of gaole deliuerie or sessions of the peace) if he happen to be conuicted for a vagabond either by inquest of office, or the testimonie of two honest and credible witnesses vpon their oths, he is then immediatlie adiudged to be gréeuouslie whipped and burned through the gristle of the right eare, with an hot iron of the compasse of an inch about, as a manifestation of his wicked life, and due punishment receiued for the same. And this iudgement is to be executed vpon him, except some honest person woorth fiue pounds in the quéenes books in goods, or twentie shillings in lands, or some rich housholder to be allowed by the iustices, will be bound in recognisance to reteine him in his seruice for one whole yeare. If he be taken the second time, and proued to haue forsaken his said seruice, he shall then be whipped againe, bored likewise through the other eare and set to seruice: from whence if he depart before a yeare be expired, and happen afterward to be attached againe, he is condemned to suffer paines of death as a fellon (except before excepted) without benefit of clergie or sanctuarie, as by the statute dooth appeare. Among roges and idle persons finallie, we find to be comprised all proctors that go vp and downe with counterfeit licences, coosiners, and such as gad about the countrie, vsing vnlawfull games, practisers of physiognomie and palmestrie, tellers of fortunes, fensers, plaiers, minstrels, iugglers, pedlers, tinkers, pretensed schollers, shipmen, prisoners gathering for fees, and others so oft as they be taken without sufficient licence. From among which companie our bearewards are not excepted, and iust cause: for I haue read that they haue either voluntarilie, or for want of power to master their sauage beasts, béene occasion of the death and deuoration of manie children in sundrie countries by which they haue passed, whose parents neuer knew what was become of them. And for that cause there is & haue béene manie sharpe lawes made for bearwards in Germanie, wherof you may read in other. But to our roges. Each one also that harboreth or aideth them with meat or monie, is taxed and compelled to fine with the quéenes maiestie for euerie time that he dooth so succour them, as it shall please the iustices of peace to assigne, so that the taxation excéed not twentie shillings, as I haue béene informed. And thus much of the poore, & such prouision as is appointed for them within the realme of England.

THE AUTHORITARIAN STATE

IF SIMPLE MEN were born to be ruled by and for the benefit of their betters, gentlemen themselves must submit to authority higher than their own. God's will was supreme and, under God, was the will of the King. Broadly speaking, that may be taken as the political philosophy animating those who supported royal power when the long conflict between the Stuarts and their Parliaments was punctuated by the civil war of the 1640s. And none expressed these ideas better or more arrogantly than William Laud, Bishop of St. Davids

(1573–1645) when he preached before King and Parliament.

By birth, Laud belonged to the class which supplied so much of the strength of Puritanism in religion and of the Parliamentary party in politics. His father was a cloth merchant, and he himself held an Oxford scholarship before he took orders in 1601. Oxford, in the years of Laud's training, was passing through an anti-Calvinist reaction similar in some respects to the movement which was so influential in the Anglican Church during the nineteenth century: a learned minority rejected the Calvinist element in the Anglican compromise and returned to the ceremony and sacramentalism which the Calvinist party abhorred. Laud's school refused to give a Calvinist interpretation to the Thirty-nine Articles (which summarized the belief of the Anglican Church) but, rather, stressed graciousness of service and the importance of ecclesiastical observance. The Roman Catholic was a true church, this school maintained, although it had become corrupt in doctrine.

Though the new school was a minority within the Anglican Church, its representatives were sufficiently learned to win important appointments from James I in spite of his own Calvinist bias. Charles had no such convictions: he regarded the group in which Laud had become a leader as sound in doctrine and correct in outlook, for by necessity and belief it deferred to royal authority. As a minority, Laud's school needed the secular arm to impose uniformity in ceremony upon an indifferent or recalcitrant clergy and, in belief, Laud's group stressed authority above individual conviction.

Two elements are strikingly apparent in Laud's thinking as represented by these sermons. First is his stress on the social unit as contrasted with the individual. The prosperity of the whole must be set above the prosperity of any particular element in the social order. Hence, State and Church, as institutions, are to be considered before the desires and opinions of any individual. Second is his practical application of that doctrine to political affairs.

Charles had met his first Parliament with a brusque demand for a grant to carry on his father's policy of assisting the Protestant cause on the Continent. Parliament countered with a request for information and, when the Commons learned that Charles was planning an expensive land war instead of a profitable harrying of the Spaniards at sea, it proceeded to debate instead of providing funds. When that debate turned on Charles's favorite, the Duke of Buckingham, the King dissolved Parliament though it had not granted the money he asked.

Laud's sermon before Charles's second Parliament reflects the root situation: the insistence of Commons upon effective control of taxation. The King is head and chief in the State, Laud declares: his power is from God; his house, which is the House of David, is the basis for all the houses of the kingdom. Consequently, a loyal Parliament will support that house and not thwart the King by arguing over funds.

Like Harrison, Laud discourses on the nature of the landless people: they are "the mob," who must be held in subjection to preserve order in the state. But Laud goes further: not only are the people to be duly subject to their superiors, the gentry also shall defer to the will of the King who rules by the grace of God and whose power is not to be checked by any on this earth.

Laud proceeded to enforce that view. When Charles dismissed his second Parliament and began to rule alone, Laud turned the royal power against the Puritans. A new Anglican prayer book was issued in 1628. By Laud's counsel, Charles forbade controversial preaching in the churches. In 1633, Laud, now Archbishop of Canterbury as well as one of the King's Privy Council, began his tours of visitation with the object of imposing conformity. By 1640, the convocation of the clergy under Laud's headship issued a canon declaring the order of Kings established by divine right; the assertion of a power independent of the King's

was contrary to God's ordinance and resistance to Kings entailed eternal damnation. The Long Parliament risked damnation by finding Laud guilty of treason and sentencing him to death.

The first sermon here reprinted was preached before King James I on June 19, 1621. The second sermon was preached before King Charles's second Parliament on February 6, 1625. They are reprinted from Laud's *Works*, Vol. I (Oxford, 1847).

Two Sermons

BY WILLIAM LAUD

1. Sermon on King James's Birthday, 1621

. . . This I am sure of, since David, at the placing of the ark, exhorts all sorts of men *rogare pacem*, to "pray for the peace of Jerusalem," he did not intend to leave out the priest, whom it concerns most to preach peace to the people: neither the High-priest, nor the rest, but they should be most forward in this duty. This for the priesthood then. And Christ Himself, when He sent out the Seventy to preach, gave them in charge to begin at "every house in which they entered," with "peace"—"Peace be to this house." And he that preacheth not peace, or labours not for it, must confess one of these two;—namely, that he thinks David was deceived, while he calls to pray for peace;—or that himself is disobedient to his call.

Calvin is of opinion that he which will order his prayers right, must begin, not with himself, but at *Dominus ecclesiæ corpus conservet*, "that the Lord would preserve the Body of His Church." It is just with the Prophet, "peace for Jerusalem." For if any man be so addicted to his private, that he neglect the common State, he is void of the sense of piety, and wisheth peace and happiness to himself in vain. For whoever he be, he must live in the body of the Commonwealth, and in the body of the Church; and if their joints be out, and in trouble, how can he hope to live in "peace?" This is just as much as if the exterior parts of the body should think they might live healthful, though the stomach be full of sick and swollen humours.

To conclude then:—God hath blessed this State and Church with many and happy years of peace and plenty. To have had peace without plenty had been but a secure possession of misery. To have had plenty, if it were possible, without peace, had been a most uncertain possession of that which men call happiness, without enjoying it. To have had both these, without truth in religion and the Church's peace, had been to want the true use of both. Now to be weary of "peace," especially peace in truth, is to slight God that hath given us the blessing. And to abuse peace and plenty to luxury, and other sins, is to contemn the blessing itself. And there is neither of these, but will call apace for vengeance.

My exhortation therefore shall keep even with Saint Paul's, "that supplications and prayers be made," especially, "for Kings, and for all that are in authority, that" under them "we may live [lead] a quiet and peaceable life in all godliness and honesty." Here Saint Paul would have you pray for the King; and in my text the King would have you pray for the State and the Church:—his peace cannot be without theirs;—and your peace cannot be without his. Thus having made my text my circle, I am gone round it, and come back to it; and must therefore end in the point where I began: "Pray for the peace of Jerusalem; let them prosper that love it: peace be within the walls of it, and prosperity within the palaces:" that the peace of God, which passeth our understanding here, may not leave us till it possess us of eternal peace. And this, Christ for His infinite merit and mercy's sake grant unto us. To Whom, with the Father, and the Holy Spirit, be ascribed all might, majesty, and dominion, this day, and for evermore. Amen.

2. Sermon before King Charles's Second Parliament, 1625

. . . Now in a state, the King *obtinet locum fundamenti*, is always fundamental. All inferior powers of nobles, judges, and magistrates rest on him. And yet the Holy Ghost doth not stay in my text, that the "seats of judgment" are upon the foundation of David, but upon the "house of David." And the reason is plain; because there is one and the same "foundation" of the King and his people, that is, God and Christ. But when the house of the King is built upon God, as David's was, then it is to the people, *et domus et fundamentum*, both an house and a foundation of all their houses.

And that you may see the truth of this, look into the story of all States, and you shall never

find a thunderclap upon the house of David to make it shake, but the houses of all the subjects in the kingdom shook with it. And this is an evident argument that the "house of David" is a "foundation," when such a mighty building as a State is shaken with it. And therefore, there is no man that loves his own house, but he must love the King's, and labour and study to keep it from shaking.

And if you mark the text, here is, *sedes super sedem*, one "throne," or "seat," upon another. And all well-ordered states are built so by *sub* and *super*, by "government" and "obedience." The intermediate magistrates have their subordinations either to other, and all to David. But the "house of David," that is both *sub* and *super;* under the rest in the "foundation," for so the Septuagint, and the Fathers read it, ἐπὶ οἶκον, upon the house of David; so the "house of David" under, as "foundation;" but over the rest in the administration and the government; for they which are upon him, must not be above him. A primacy, or superintendency, or what you will, above the house of David in his own kingdom, is a dangerous and an ill construction of *super domum David*.

The "house of David" a "foundation" then; and my text warrants both it and me. I have no will to except against any form of government, assumed by any state; yet this my text bids me say for the honour of monarchical government, the "seats of judgment" in it are permanent; and I do not remember that ever I read "seats of judgment" so fixed as under regal power.

I do not by this deny, but that there may be the city in peace, and administration of justice in other forms of government, sometimes as much, sometimes more; but there are *judicia*, not "*sedes*," "judgment," not "seats," of it. And justice there may be; but it continues not half so steady. The factions of an aristocracy how often have they divided the city into civil wars, and made that city which was "at unity in itself," wade in her own blood? And for a democracy, or popular government, *fluctus populi fluctus maris*, the waves and gulfs of both are alike. None but God can "rule the raging of the sea, and the madness of the people." And no safety or settledness, till there be a return *in domum David*, to a monarchy, and a King again.

I will go no whither but to my text and Jerusalem for instance. The people had a Sanhedrim over them, a wonderful wise and a great senate; the chief of the priests, and the most expert in their laws of the other tribes. If any greater difficulty arose, God raised up judges and deliverers to fight their battles. This people were well, a man would think, for point of government, very well. And yet Calvin observes, and it is true, though they had then "justice and judgment" among them, yet they were but *suspensa judicia et varie mutata*, "justice with suspense and often changes." And which is more, that people restless and unquiet, even with the ordinances of God Himself, till they had a King. So after the disobedience of Saul, which can cast even Kings out of God's favour, that state was settled upon the "house of David."

The King, then, a "foundation," and a settled one too, as mortality hath any. The whole frame of the commonwealth, understood here by the "seats of judgment," rests upon the strength of his "house." Upon his "house?" therefore, it must be built and settled; else it is not *domus*, not a house; when it is built, it must be furnished, and plentifully too; else it is not fit to be *domus Davidis*, the King's house. If any disaster hath been, it must be repaired; else *domus lacera*, a house upon props, can be no "foundation of justice" to friends at home, or upon enemies abroad. And there can hardly be a greater misery to a kingdom, than to have the "house of David" weak.

Well then, would you have "the house of David" as David's was now at Jerusalem, a built, a furnished, a strong, an honourable "house?" I know you would. You are a noble and a most loyal people. Why, then, I will not take upon me to teach, but only to remember you of the way. The way is;—am I out? No sure,—the way is, to set David once upon his own feet; to make him see the strength of the "house" which God hath given him; to fill him with joy and contentment in his people's love; to add of your oil to make him a cheerful countenance, now that God hath "anointed him with the oil of gladness" over you; that in a free estate he may have leisure from home-cares, every way to intend the good and welfare of his people; and to bless God for them, and them in God.

And for David, God hath blessed him with many royal virtues. And, above the rest, with the knowledge that his "house" is a "foundation." A "foundation" of his people, and of all the justice that must preserve them in unity, and in happiness. But it is *domus ejus*, "his house," still, even while it is your "foundation." And never fear him, for God is with him. He will not depart from God's service; nor from the honourable care of his people; nor for wise managing of his treasure; he will never undermine his own "house," nor give his people just cause to be jealous of a

shaking "foundation." And here in the presence of God and his blessed Angels, as well as of you, which are but dust and ashes, I discharge the true thoughts of my heart, and flatter not. And now, my dread Sovereign, upon you it lies to make good the thoughts of your most devoted servant.

Thus you have seen as short a map as I could draw of Jerusalem. She was famous for her "unity," and blessed too, when it was "within herself." She was famous for her "religion," and devout too, when "all the tribes went up to the ark of the testimony, to give thanks to the name of the Lord." She was famous for "justice," and successful too, both at home, and against foreign enemies, when the "seats of judgment," ecclesiastical and civil, were all, as their several natures bear, founded upon the "house of David."

This Jerusalem of ours is now "at unity in itself." And I see here *capita Tribuum*, the heads and leaders of the tribes, and people of the Lord, come up, and present in His temple. I would to God they were all here, that with one heart, and one mouth, we might all pray unto God for all His blessings to come down, and dwell in the "house of David;" and to rest upon this great and honourable council now ready to sit.

You are come up to begin at the "temple" of the Lord. The ark was wholly ceremonial; that is not here. But the "testimony of Israel," the law, yea and a better law than that, the law of grace and of Christ, that is here. Here it is, and open ready to teach "the fear of the Lord," which is "the beginning of all wisdom." In this law you can read nothing but service to God, and obedience to the "house of David." And so you find them joined, "fear God and honour the King." And it is a strange fallacy in religion for any man to "dishonour the King," and to make that a proof that he "fears God."

To the temple and the testimony you are come up. When God would give Moses more special direction, He declared Himself from the "mercy seat," which was on the "ark." The "mercy seat" was wholly ceremonial, as the "ark" was on which it stood; that is, the "seat," ceremony, but the "mercy," substance. And though the "seat" be gone with Moses, yet I hope God hath not left, will never leave, to appear in "mercy" to the "house of David," and this wise council. If He appear in "mercy," I fear nothing. If He appear otherwise, there will be cause to fear all things. And the way to have God appear in "mercy," is for both King and people, not only to come to the temple, that is but the outside of religion, but also to obey "the law, and the testimony."

"Judgment" went out from God lately, and it was fierce. How many thousand strong men, which might have been a wall about Jerusalem, hath the pestilence swept away? But His "mercy" soon overtook His "judgment." For when did the eye of man behold so strange and sudden abatement of so great "mortality?" A great argument that He will now appear in "mercy." And I cannot tell which hath got the better in the vie, your honour or your religion, that you have made such haste to bring the "tribes to the Temple, to give thanks to the name of the Lord," for this.

The first lesson of this day's evening prayer is Exod. xviii. There is the story of Jethro's counsel to Moses, for assistance of inferior officers. This was not the beginning of that great and parliamentary council, which after continued successful in the state of the Jews. For that was set after by God Himself, yet I make no great doubt, but that the ease, which Moses found by that council, made him apt to see what more he needed; and, so far at least, occasioned the settling of the Sanhedrim.

I take the omen of the day, and the service of the Church to bless it,—That our David may be as happy in this, and all other sessions of Parliament, as their Moses was in his council of the elders. That the King and his people may now, and at all like times, meet in love, consult in wisdom, manage their council with temper, entertain no private business to make the public suffer; and when their consultation is ended, part in the same love that should ever bring King and people together.

And let us pray,—That our Jerusalem, both Church and State, which did never but flourish when it was "at unity in itself," may now and ever continue in that "unity," and so be ever successful both at home and abroad. That in this unity the "tribes of the Lord," even all the families and kindreds of His people, may come up to the Church, to pray, and praise, and give thanks unto Him. That no tribe or person for any pretences, for they are no better, may absent themselves from the Church and testimony of the Lord. That the "seats of judgment," ecclesiastical and civil, of all sorts, may not only be set, but set firmly, to administer the justice of God, and the King, unto his people. That all men may reverence and obey the "house of David," who itself, upon God, is the foundation of all these blessings. That God would mutually bless David, and this people. That so the people may have cause to give thanks to God for David; and that David may have cause to take joy in the love and loyalty of his people; and bless God for both: till from this "Jerusalem,"

and this "temple," and these "thrones," he and we all may ascend into that glorious state which is in heaven. And this Christ for His infinite mercy sake grant unto us: To Whom, &c.

MONOPOLIES

THE TUDORS had encouraged commerce and industry by granting exclusive privileges for the sale and manufacture of certain goods and the conduct of trade in particular areas. Under James I, such monopolies were vastly extended. Protests, which had been accumulating in the years before 1621—when the European situation compelled James to summon Parliament in order to secure funds with which to support the Protestant interest on the Continent—broke into the open as Parliament proceeded to debate its grievances before making grants. Monopolies had increased under James; they enriched the families of the King's courtiers; and they barred enterprising business men from many trades. The Commons, accordingly, brought one of the most obnoxious monopolists before the House of Lords for trial. In spite of royal interference, the trial continued, the defendants were convicted and the Commons began to consider a bill for the abolition of all monopolies. At this point, James prorogued Parliament. Then, in July, 1621, the King issued a proclamation abolishing eighteen of the monopolies which had evoked the loudest protest.

Though James had revoked certain monopolies, the practice of making such grants continued and indeed increased during the next reign. In 1640, after eleven years of absolutist rule, Charles called Parliament to provide money for suppressing the rebellion which the attempt to enforce uniformity in religious ceremonial and organization had provoked in Scotland. Again, Parliament engaged in debate before granting taxes. In his speech during that discussion, Sir John Colepeper (?–1660), Knight of the Shire for Kent, denounced the practices which had prevailed during the years when Parliament had not been summoned. Kent complained of the increase of Papists, Colepeper declared; the county was alarmed at the introduction of new ceremonies in religion and the increase of military charges. It was aggrieved by the renewing of Convocation without Parliament's consent, which gave the clergy an independent legislative power. The county's woolen trade had been all but destroyed by duties and excises on cloth and its political rights invaded by the collection of ship money. But chief among grievances was that "swarm of vermin," monopolies. Hiding under the mask of corporations, these devices for extortion were hampering trade and plundering the people.

The first selection is reprinted from W. H. Price, *The English Patents of Monopoly* (Cambridge, Mass., 1913). The second selection is reprinted from William Cobbett, ed., *Parliamentary History of England*, Vol. II (London, 1807).

Proclamation Touching Grievances

BY JAMES I

. . . HIS HIGHNESS observing that divers of them (though fit to receive a full period, and determination in Parliament) are very meet and necessary, for the good of his people, to be settled and ordered in the mean time by his own regal authority and direction; and some others are of that quality and condition, as his Majesty needs no assistance of Parliament for reforming the same, and would have reformed them before the Parliament, if the true state of his subjects' grievances had been then made known unto him.

Thereupon his Majesty in this short time of

cessation of parliamentary proceedings, not allowing himself any cessation or relaxation from his continual care and watch over the public, upon mature deliberation with his Privy Council hath advised and resolved of sundry particulars tending to the present case of his people, and to the furtherance and advancement of the flourishing estate of this kingdom. . . .

And whereas his Majesty hath received information of sundry grievances lighting upon many of his people and chiefly of the poorer sort, by reason of divers privileges, licenses, and other letters patents procured from his Majesty upon suggestions made to his Highness that the same should tend to the common good and profit of his subjects: Howbeit upon examination it doth appear that many of the said grants were not only obtained upon false and untrue surmises but have been also notoriously abused; his Majesty having heretofore published in print his dislike of such suits, together with his hatred and detestation of all importunities to obtain or procure the same, is willing to manifest: That these abuses and surreptitions against his precise charge and direction have confirmed him in an utter distaste of suits of that nature, and is resolved, by making those patents already obtained from him to be fruitless to the procurers, to discourage all others hereafter to press or importune him in the like. And therefore his Majesty, discerning that these particular patents ensuing viz:

Of and concerning the making of gold and silver foliat
The licensing of pedlars and petty chapmen
The sole dressing of common arms
The export of lists, shreds, and other like things
The sole making of tobacco pipes
The hot-press
The manufacture of playing cards and
The brogging of wool

have been found of evil consequence, and some of them have been much abused, contrary to his Majesty's gracious intention, and the same being made to appear to the parties interested in these grants, they have voluntarily submitted; which his Highness accepting, hath taken order for the present surrender of the same patents, and doth hereby absolutely forbid all further execution of them or any of them, or of anything in them, or any of them contained, or of any proclamation heretofore published for, or in any sort to the furthering or strengthening of them, or any of them.

Commissions revoked:

Pardoning and dispensing apprenticeship.
Pardoning and dispensing conversion of arable to pasture.
Licensing of wine casks.
Making of denizens.
Granting of leets.
Passing of parks and free warrens.
Granting of fairs and markets.
Granting of tolls, tallages, &c.
Leasing of tithes.
Passing of concealments, intrusions, &c.

And whereas divers other privileges, licenses, and other like patents have passed from his Majesty, as viz: touching

The gilding and printing of leather
Printing upon cloth
The making of paving-tiles, dishes, pots, garden-posts, and vessels of earth
The making of stone pots, stone jugs, and the like
The importing of pikes, carps, eels, and scallops
The making of racket-hoops, rackets, and cloth balls
The making or selling of oil invented for keeping armor
The importation of sturgeon
The making of garments of beaver
The making of hardwax
The making of chamlets
The making of back screens
The making of fortage and lineage of paper
The measuring of corn, coal, and salt
The printing of briefs and other things upon one side of the paper
The weighing of hay and straw

The discovery of annoyances in the Thames, and ballasting ships, his Majesty doth hereby publish and declare his gracious will and pleasure that all and every persons that at any time hereafter shall find themselves grieved, injured, or wronged by reason of any of the said grants, or any clause, article, or thing therein contained, may take their remedy therefor by the common laws of the realm, or other ordinary course of justice, any matter or thing in the said grants to the contrary notwithstanding.

[Provision for wool, cloth, new draperies, and iron ordnance.]

And his Majesty doth by these presents signify and declare his gracious and princely pleasure that albeit he hath in good measure, as the shortness of the time would permit, devised and resolved upon the several remedies above rehearsed, for the care of his subjects; yet it is not his Majesty's purpose that his grace and goodness to his people in matters of like nature should bear no further fruit, but as time and opportunity will permit, he will enlarge and extend the same unto such other

particulars, wherein he shall have cause to conceive his subjects may be justly grieved; and that until the sitting again of Parliament both his own and the ears of his Privy Council shall be open to the modest and just complaints of his people as well concerning monopolies and other patents of evil nature and consequences, as concerning other grievances of the public; admonishing, nevertheless, that under color thereof, no man presume to trouble his Majesty or his Council with causeless clamors, proceeding of humor, or private respects. Given at our court, &c. &c.

Speeches Relating to Grievances before Parliament
16 Charles I, 1640

BY SIR JOHN COLEPEPER

Sir John Colepeper, one of the knights of the Shire for Kent, spoke as follows: "Mr. Speaker; I stand not up with a petition in my hand. I have it in my mouth, and have it in charge . . . from them that sent me hither, humbly to present to the consideration of this house the Grievances of the county of Kent. I shall only sum them up, and they are these. 1. The great increase of Papists, by the remiss execution of those laws which were made to suppress them. The life of the laws is execution; without this they become a dead letter: this is wanting, and is a great grievance.—2. The obtruding and countenancing of divers new ceremonies in matters of religion; as, placing the Communion-Table altar-wise, and bowing or cringing towards it; the refusing of the holy sacrament to such as refuse to come up to the rails: these carry with them some scandal and much offence.—3. Military Charges; and therein, 1st, that of Coat and Conduct-Money, required as a loan, or pressed as a due, in each respect equally a grievance. 2dly, The enhancing the price of Powder; whereby the Trained Bands are much discouraged in their exercising: however little this may seem prima facie, yet, upon due examination, it will appear a great grievance. The 3rd is more particular to our county; it is this, The last summer was twelvemonth, 1000 of our best arms were taken from the owners, and sent into Scotland. The compulsory way was this, 'If you will not send your arms, you shall go yourselves.' Mr. Speaker, the Trained Band is a militia of great strength and honour, without charges to the king, and deserves all due encouragement.—4. The Canons: I assign these to be a grievance, 1st, in respect of the matter, besides the etcaetera oath. 2dly, in respect of the makers; they were chosen to serve in a convocation; that failing with the parliament, the scene was altered; the same men, without any new election, shuffled into a sacred synod. 3dly, in respect of the consequence; which, in this age, when the second ill precedent becomes a law, is full of danger. The clergy, without confirmation of a parliament, have assumed unto themselves power to make laws, to grant relief by the name of Benevolence, and to intermeddle with our freehold by suspension and deprivation. This is a grievance of a high nature.—5. Ship-Money: this cries aloud: I may say, I hope without offence, this strikes the first-born of every family, I mean our inheritance. If the laws give the king power, in any danger of the kingdom, whereof he is judge, to impose what and when he pleases, we owe all that is left to the goodness of the king, not to the law. Mr. Speaker, this makes the farmers faint, and the plough to go heavy.—6. The great Decay of Cloathing and Fall of our Wools: these are the golden mines of England, which give a foundation to that trade which we drive with all the world. I know there are many stars concur in this constellation; I will not trouble you with more than one cause of it, which I dare affirm to be the greatest; it is the great customs and impositions laid upon our cloths and new draperies. I speak not this with a wish to lessen the king's revenues, so it be done by parliament; I shall give my voice to lay more charge upon the superfluities (due regard being had to trade) which we import from all other nations: sure I am that these impositions upon our native commodities are dangerous, and give liberty to our neighbours to undersell: and I take it for a rule, that besides our loss in trade, which is five times as much as the king receiveth, what is imposed upon our cloths is taken from the rent of our lands.—I have but one Grievance more to offer unto you; but this one compriseth many: it is a nest of wasps, or swarm of vermin, which have over-crept the land. I mean the monopolers and polers of the people: These like the frogs of Egypt, have got possession of our dwellings, and we have scarce a room free from them: they sip in our cup, they slip in our dish, they sit by our fire; we find them in the dye-vat, wash-bowl, and powdering-tub; they share with the butler in his box, they have marked and scaled us from

head to foot. Mr. Speaker, they will not bate us a pin: we may not buy our own cloaths without their brokage. These are the leeches that have sucked the commonwealth so hard, that it is almost become hectical. And, some of these are ashamed of their right names; they have a vizard to hide the brand made by that good law in the last parliament of king James; they shelter themselves under the name of a corporation; they make bye-laws, which serve their turns to squeeze us, and fill their purses: unface these, and they will prove as bad cards as any in the pack. These are not petty chapmen, but wholesale men. Mr. Speaker, I have echoed to you the cries of the kingdom; I will tell you their hopes: they look to Heaven for a blessing upon this parliament; they hang upon his majesty's exemplary piety and great justice, which render his ears open to the just complaints of his subjects; and we have had lately a gracious assurance of it. It is the wise conduct of this parliament, whereby the other great affairs of the kingdom, and these our Grievances of no less import, may go hand-in-hand, in preparation and resolution; then, by the blessing of God, we shall return home with an olive branch in our mouths, and a full confirmation of the privileges which we received from our ancestors, and owe to our posterity: which every free-born Englishman hath received with the air he breathed in. These are our hopes: these are our prayers."

ENCLOSURES

By 1649, when Gerrard Winstanley's *A Declaration from the Poor Oppressed People of England* appeared, the conflict between Crown and Parliament had proceeded through the years of Charles's personal rule to the Scottish rebellion, the summoning of Parliament in 1640, the Civil Wars and the execution of the King. Charles had tried to silence the Puritans. He had imprisoned the leaders of the Opposition in Parliament; and rather than call another Parliament he had made England insignificant in European struggles for power. But when the Scots concluded their Covenant to defend Presbyterianism against the introduction of bishops and Laud's prayer book and had supported that Covenant with victory in the field, Charles was forced to summon Parliament.

The Long Parliament assembled in 1640. It impeached the King's most obnoxious minister, provided for Parliament to meet every three years whether summoned or not, and declared it would be dissolved only with its own consent. Further, it abolished special courts and the royal tax levies by which Charles had been able to rule without Parliament, and declared that henceforth judges should hold office during good behavior and not at the King's pleasure. At this demonstration of Puritan power —for royal policy had made Puritan and Opposition all but synonymous—Ireland revolted. The more timid elements in the Opposition and those most attached to Episcopal church government tended to side with the King when the Commons attempted to impose control of ministers as a condition preliminary to their raising an army to suppress the rising in Ireland. Charles sought to repeat his arrest of Opposition leaders in Commons in 1642. The Commons countered by giving Parliament power to appoint the commanders of the militia.

In June, 1642, Parliament demanded that the principal officers of the Crown be appointed only with the consent of Parliament and that the church be reformed as Parliament should direct. Charles refused. He raised his standard at Nottingham in August and the Civil Wars began.

On the whole, the royalists were victorious during the two years following. Then, in 1644, the temporizing element among the Parliamentarians was supplanted by men who had small faith in the divinity hedging kings. They concluded an alliance with the Scots, who had already defeated Charles, and undertook a complete reorganization of their army. Against Charles's army of gentlemen, Oliver Cromwell brought drill, discipline, the middle-class virtues and his own capacity as a commander. Cromwell's troops defeated the Cavaliers at

Naseby in 1645, and Charles Stuart surrendered to the Scots.

But while the most vigorous element in the Opposition had decided the military policy to be applied against Charles, that same vigor led to hostility in other fields. Parliament, in office since 1640, wished to replace Episcopacy with a Presbyterian State Church. The army, unpaid for many months and predominantly Independent in sentiment, refused to disband or to accept a Presbyterian Establishment. When Parliament tried to conclude a treaty with Charles against the army, Cromwell resumed his command and war broke out again.

That army was possessed of singularly articulate political leadership. It formulated demands based upon the premise that man is endowed with certain natural rights and that government rests on the consent of the governed. Further, the army proceeded to draft a constitution which provided for a single-chambered legislature whose members were to be chosen by manhood suffrage.

Though Cromwell and the military staff prevailed upon the army's Levellers to accept toleration and Parliamentary confirmation of Crown officers instead of their own program, the Levellers' sentiments did not change. The army rose to fight the Scots who invaded England in 1648, in accordance with the treaty by which Charles was to be restored to his throne and the Presbyterian Church established for three years. Cromwell defeated the Scots; Parliament was purged of all but certain military elements after that; and Charles went to his death.

Against this background, Gerrard Winstanley's *A Declaration from the Poor Oppressed People of England* speaks some of the sentiments of the most radical segment of the population which supported Parliament and Cromwell's army in its fight. Winstanley (1609–1660?) was probably born in Lancashire. His origin is uncertain, the details of his education obscure, his whole life shadowy until 1649, when he began his attempt to recapture England's land for her people. His own account shows him a freeman of the City of London and a cloth merchant driven to bankruptcy by the financial uncertainties of the Civil Wars.

In the time of precarious living that followed, Winstanley turned to religion, not in the comparatively formalized shape of Puritan teaching but to the Baptists, who encouraged lay preachers. Even this seemed too akin to trading to satisfy Winstanley's religious impulse. He became one of those Seekers waiting upon a new and personal revelation to bring him his own peace. This he achieved through a mystical experience which informed him not only of his own salvation but also of the means by which society could be regenerated. A voice spoke to him, saying: "Work together. Eat bread together."

And, in April, 1649, Winstanley and half a dozen other poor men proceeded to carry out that command by breaking up the heath on the common at St. George's Hill, Surrey. Mystical though his conviction was, Winstanley's action indicates the effect of the radical democracy of the Leveller movement. For two years, army and people alike had been influenced by the agitation for a more comprehensive conception of "English liberties." Winstanley's revelation seems quite natural in a time when social formulations were made in religious terms. And his concern with the land was equally natural. For generations the exactions of English landowners had been growing more burdensome. As early as 1577, Harrison had written of the "three things that are grown to be very grievous unto them [the country people]—to wit, the enhancing of rents, lately mentioned; the daily oppression of copyholders, whose lords seek to bring their poor tenants almost into plain servitude and misery, daily devising new means, and seeking up all the old, how to cut them shorter and shorter, doubling, trebling, and now and then seven times increasing their fines, driving them also for every trifle to lose and forfeit their tenures (by whom the greatest part of the realm doth stand and is maintained), to the end they may fleece them yet more, which is a lament-

able hearing. The third thing they talk of is usury."

Against that long-continued aggression on the customary rights of the copyholder, Winstanley's little group protested by working the common land. In spite of suits and judgments, Winstanley and his followers continued planting upon the common until they were driven off by force and then brought before the courts as criminals. Whatever may have been the result of that prosecution, Winstanley's effort to nationalize England's common lands became a "curiosity of history."

Before his experiment passed into that category, however, Winstanley published the pamphlets that contained his philosophy of government, a political theory as different from the Puritan outlook as it was from the authoritarianism of Laud. Against the aggressive middle-class individualism of the Puritan attitude, Winstanley stressed the need for man to extend the cooperative spirit from the family to society. Against the Puritan idea of rule by the saints and of man's moral duty to get on in the world, Winstanley set the idea of secular rule by universal suffrage in a society which has abolished "the cheating arts of buying and selling." Political freedom was a right of all, but it could not exist in a poverty-ridden world where the system of land ownership gave some men power over others. The land should belong to all, Winstanley argues, but since force is an evil and man is to be ruled by righteousness, no attack will be made on existing holdings; all his effort is to preserve common ownership of the existing waste and common lands. The people of England, Winstanley's petition declares, ask for the free use of waste and common. Parliament stands pledged to rid the nation from Norman tyranny, to give the people liberty in return for fighting the royalists. The people have filled the army that fought Charles and they have born the costs of his defeat; now Parliament must redeem its word by making the land a common treasury and freedom "the inheritance of all, without respect of persons." Winstanley's group was ousted from the land it had begun to cultivate. The process of enclosing the common lands, ejecting the small holder and consolidating land ownership continued through the seventeenth century, driving men down in the social scale, out into the cities and sometimes even to the colonies where a poor man might hope to own land in fee simple.

Winstanley's pamphlet is reprinted from George H. Sabine, ed., *The Works of Gerrard Winstanley* (Ithaca, N.Y., 1941).

A Declaration from the Poor Oppressed People of England

BY GERRARD WINSTANLEY

We whose names are subscribed, do in the name of all the poor oppressed people in *England*, declare unto you, that call your selves Lords of Manors, and Lords of the Land, That in regard the King of Righteousness, our Maker, hath inlightened our hearts so far, as to see, That the earth was not made purposely for you, to be Lords of it, and we to be your Slaves, Servants, and Beggers; but it was made to be a common Livelihood to all, without respect of persons: And that your buying and selling of Land, and the Fruits of it, one to another, is *The cursed thing*, and was brought in by War; which hath, and still does establish murder, and theft, in the hands of some branches of Mankinde over others, which is the greatest outward burden, and unrighteous power, that the Creation groans under: For the power of inclosing Land, and owning Propriety, was brought into the Creation by your Ancestors by the Sword; which first did murther their fellow Creatures, Men, and after plunder or steal away their Land, and left this Land successively to you, their Children. And therefore, though you did not kill or theeve, yet you hold that cursed thing in your hand, by the power of the Sword; and so you justifie the wicked deeds of your Fathers; and that sin of your Fathers, shall be visited upon the Head of you, and your Children, to the third and fourth Generation, and longer too, tell your bloody and theeving power be rooted out of the Land.

And further, in regard the King of Righteous-

ness hath made us sensible of our burthens, and the cryes and groanings of our hearts are come before him: We take it as a testimony of love from him, that our hearts begin to be freed from slavish fear of men, such as you are; and that we finde Resolutions in us, grounded upon the inward law of Love, one towards another, To Dig and Plough up the Commons, and waste Lands through *England;* and that our conversation shall be so unblameable, That your Laws shall not reach to oppress us any longer, unless you by your Laws will shed the innocent blood that runs in our veins.

For though you and your Ancestors got your Propriety by murther and theft, and you keep it by the same power from us, that have an equal right to the Land with you, by the righteous Law of Creation, yet we shall have no occasion of quarreling (as you do) about that disturbing devil, called *Particular Propriety:* For the Earth, with all her Fruits of Corn, Cattle, and such like, was made to be a common Storehouse of Livelihood to all Mankinde, friend and foe, without exception.

And to prevent all your scrupulous Objections, know this, That we must neither buy nor sell; Money must not any longer (after our work of the Earths community is advanced) be the great god, that hedges in some, and hedges out others; for Money is but part of the Earth: And surely, the Righteous Creator, who is King, did never ordain, That unless some of Mankinde, do bring that Mineral (Silver and Gold) in their hands, to others of their own kinde, that they should neither be fed, nor be clothed; no surely, For this was the project of Tyrant-flesh (which Land-lords are branches of) to set his Image upon Money. And they make this unrighteous Law, That none should buy or sell, eat, or be clothed, or have any comfortable Livelihood among men, unless they did bring his Image stamped upon Gold or Silver in their hands.

And whereas the Scriptures speak, That the mark of the Beast is 666, the number of a man; and that those that do not bring that mark in their hands, or in their foreheads, they should neither buy nor sell, *Revel.* 13. 16. And seeing the numbering Letters round about the English money make 666, which is the number of that Kingly Power and Glory (called a *Man*), And seeing the age of the Creation is now come to the Image of the Beast, or Half day, And seeing 666 is his mark, we expect this to be the last Tyrannical power that shall raign; and that people shall live freely in the enjoyment of the Earth, without bringing the mark of the Beast in their hands, or in their promise; and that they shall buy Wine and Milk, without Money, or without price, as *Isaiah* speaks.

For after our work of the Earthly community is advanced, we must make use of Gold and Silver, as we do of other mettals, but not to buy and sell withal; for buying and selling is the great cheat, that robs and steals the Earth one from another: It is that which makes some Lords, others Beggers, some Rulers, others to be ruled; and makes great Murderers and Theeves to be imprisoners, and hangers of little ones, or sincere-hearted men.

And while we are made to labor the Earth together, with one consent and willing minde; and while we are made free, that every one, friend and foe, shall enjoy the benefit of their Creation, that is, To have food and rayment from the Earth, their Mother; and every one subiect to give accompt of this thoughts, words and actions to none, but to the one onely righteous Judg, and Prince of Peace, the Spirit of Righteousness that dwells, and that is now rising up to rule in every Creature, and in the whole Globe. We say, while we are made to hinder no man of his Priviledges given him in his Creation, equal to one, as to another; what Law then can you make, to take hold upon us, but Laws of Oppression and Tyranny, that shall enslave or spill the blood of the Innocent? And so your Selves, your Judges, Lawyers, and Justices, shall be found to be the greatest Transgressors, in and over Mankinde.

But to draw neerer to declare our meaning, what we would have, and what we shall endevor to the uttermost to obtain, as moderate and righteous Reason directs us; seeing we are made to see our Priviledges, given us in our Creation, which have hitherto been denied to us, and our Fathers, since the power of the Sword began to rule, And the secrets of the Creation have been locked up under the traditional, Parrat-like speaking, from the Universities, and Colledges for Scholars, And since the power of the murdering, and theeving Sword, formerly, as well as now of late yeers, hath set up a Government, and maintains that Government; for what are prisons, and putting others to death, but the power of the Sword; to enforce people to that Government which was got by Conquest and Sword, and cannot stand of it self, but by the same murdering power? That Government that is got over people by the Sword, and kept by the Sword, is not set up by the King of Righteousness to be his Law, but by Coveteousness, the great god of the world; who hath been permitted to raign for a time, times, and dividing of time, and his government draws to the period of the last term of his allotted

time; and then the Nations shall see the glory of that Government that shall rule in Righteousness, without either Sword or Spear,

And seeing further, the power of Righteousness in our hearts, seeking the Livelihood of others, as well as our selves, hath drawn forth our bodies to begin to dig, and plough, in the Commons and waste Land, for the Reasons already declared,

And seeing and finding our selves poor, wanting Food to feed upon, while we labor the Earth, to cast in Seed, and to wait tell the first Crop comes up; and wanting Ploughs, Carts, Corn, and such materials to plant the Commons withal, we are willing to declare our condition to you, and to all, that have the Treasury of the Earth, locked up in your Bags, Chests, and Barns, and will offer up nothing to this publike Treasury; but will rather see your fellow-Creatures starve for want of Bread, that have an equal right to it with your selves, by the Law of Creation: But this by the way we onely declare to you, and to all that follow the subtle art of buying and selling the Earth, with her Fruits, meerly to get the Treasury thereof into their hands, to lock it up from them, to whom it belongs; that so, such coveteous, proud, unrighteous, selfish flesh, may be left without excuse in the day of Judgment.

And therefore, the main thing we aym at, and for which we declare our Resolutions to go forth, and act, is this, To lay hold upon, and as we stand in need, to cut and fell, and make the best advantage we can of the Woods and Trees, that grow upon the Commons, To be a stock for our selves, and our poor Brethren, through the Land of *England*, to plant the Commons withal; and to provide us bread to eat, till the Fruit of our labors in the Earth bring forth increase; and we shall meddle with none of your Proprieties (but what is called Commonage) till the Spirit in you, make you cast up your Lands and Goods, which were got, and still is kept in your hands by murder, and theft; and then we shall take it from the Spirit, that hath conquered you, and not from our Swords, which is an abominable, and unrighteous power, and a destroyer of the Creation: But the Son of man comes not to destroy, but to save.

And we are moved to send forth this Declaration abroad, to give notice to every one, whom it concerns, in regard we hear and see, that some of you, that have been Lords of Manors, do cause the Trees and Woods that grow upon the Commons, which you pretend a Royalty unto, to be cut down and sold; for your own private use, whereby the Common Land, which your own mouths doe say belongs to the poor, is impoverished, and the poor oppressed people robbed of their Rights, while you give them cheating words, by telling some of our poor oppressed Brethren, That those of us that have begun to Dig and Plough up the Commons, will hinder the poor; and so blinde their eyes, that they see not their Privilcdge, while you, and the rich Free-holders, make the most profit of the Commons, by your overstocking of them with Sheep and Cattle; and the poor that have the name to own the Commons have the least share therein; nay, they are checked by you, if they cut Wood, Heath, Turf, or Furseys, in places about the Common, where you disallow.

Therefore we are resolved to be cheated no longer, nor be held under the slavish fear of you no longer, seing the Earth was made for us, as well as for you: And if the Common Land belongs to us who are the poor oppressed, surely the woods that grow upon the Commons belong to us likewise: therefore we are resolved to try the uttermost in the light of reason, to know whether we shall be free men, or slaves. If we lie still, and let you steale away our birthrights, we perish; and if we Petition we perish also, though we have paid taxes, given free quarter, and ventured our lives to preserve the Nation's freedom as much as you, and therefore by the law of contract with you, freedom in the land is our portion as well as yours, equal with you: And if we strive for freedom, and your murdering, governing Laws destroy us, we can but perish.

Therefore we require, and we resolve to take both Common Land, and Common woods to be a livelihood for us, and look upon you as equal with us, not above us, knowing very well, that *England*, the land of our Nativity, is to be a common Treasury of livelihood to all, without respect of persons.

So then, we declare unto you, that do intend to cut our Common Woods and Trees, that you shall not do it; unlesse it be for a stock for us, as aforesaid, and we to know of it, by a publick declaration abroad, that the poor oppressed, that live thereabouts, may take it, and employ it, for their publike use, therefore take notice we have demanded it in the name of the Commons of *England*, and of all the Nations of the world, it being the righteous freedom of the Creation.

Likewise we declare to you that have begun to cut down our Common Woods and Trees, and to fell and carry away the same for your private use, that you shall forbear, and go no farther, hoping, that none that are friends to the Commonwealth of England, will endeavour to buy any of those Common Trees and Woods of any of those Lords

of Mannors, so called, who have, by the murdering and cheating law of the sword, stoln the Land from yonger brothers, who have by the law of Creation, a standing portion in the Land, as well, and equall with others. Therefore we hope all Wood-mongers will disown all such private merchandize, as being a robbing of the poor oppressed, and take notice, that they have been told our resolution: But if any of you that are Wood-mongers, will buy it of the poor, and for their use, to stock the Commons, from such as may be appointed by us to sell it, you shall have it quietly, without diminution; but if you will slight us in this thing, blame us not, if we make stop of the Carts you send and convert the Woods to our own use, as need requires, it being our own, equal with him that calls himself the Lord of the Mannor, and not his peculiar right, shutting us out, but he shall share with us as a fellow-creature.

For we say our purpose is, to take those Common Woods to sell them, now at first to be a stock for our selves, and our children after us, to plant and manure the Common land withall; for we shall endeavour by our righteous acting not to leave the earth any longer intangled unto our children, by self-seeking proprietors; But to leave it a free store-house, and common treasury to all, without respect of persons. And this we count is our dutie, to endeavour to the uttermost, every man in his place (according to the nationall Covenant which the Parliament set forth) a Reformation, to preserve the peoples liberties, one as well as another: As well those as have paid taxes, and given free quarter, as those that have either born the sword, or taken our moneys to dispose of them for publike use: for if the Reformation must be according to the word of God, then every one is to have the benefit and freedom of his creation, without respect of persons; we count this our duty, we say, to endeavour to the uttermost, and so shall leave those that rise up to oppose us without excuse, in their day of Judgment; and our precious blood, we hope, shall not be dear to us, to be willingly laid down at the door of a prison, or foot of a gallows, to justifie this righteous cause; if those that have taken our money from us, and promised to give us freedom for it, should turn Tyrants against us: for we must not fight, but suffer.

And further we intend, that not one, two, or a few men of us shall sell or exchange the said woods, but it shall be known publikly in Print or writing to all, how much every such, and such parcell of wood is sold for, and how it is laid out, either in victualls, corn, ploughs, or other materialls necessary.

And we hope we may not doubt (at least we expect) that they that are called the great Councel and powers of *England*, who so often have declared themselves, by promises and Covenants, and confirmed them by multitude of fasting daies, and devout Protestations, to make *England* a free people, upon condition they would pay moneys, and adventure their lives against the successor of the *Norman* Conqueror; under whose oppressing power *England* was enslaved; And we look upon that freedom promised to be the inheritance of all, without respect of persons; And this cannot be, unless the Land of *England* be freely set at liberty from proprietors, and become a common Treasury to all her children, as every portion of the Land of *Canaan* was the Common livelihood of such and such a Tribe, and of every member in that Tribe, without exception, neither hedging in any, nor hedging out.

We say we hope we need not doubt of their sincerity to us herein, and that they will not gainsay our determinate course; howsoever, their actions will prove to the view of all, either their sinceritie, or hypocrisie: We know what we speak is our priviledge, and our cause is righteous, and if they doubt of it, let them but send a childe for us to come before them, and we shall make it manifest four wayes.

First, by the National Covenant, which yet stands in force to bind Parliament and people to be faithful and sincere, before the Lord God Almighty, wherein every one in his several place hath covenanted to preserve and seek the liberty each of other, without respect of persons.

Secondly, by the late Victory over King *Charls*, we do claime this our priviledge, to be quietly given us, out of the hands of Tyrant-Government, as our bargain and contract with them; for the Parliament promised, if we would pay taxes, and give free quarter, and adventure our lives against *Charls* and his party, whom they called the Common enemy, they would make us a free people; These three being all done by us, as well as by themselves, we claim this our bargain, by the law of contract from them, to be a free people with them, and to have an equall priviledge of Common livelihood with them, they being chosen by us, but for a peculiar worke, and for an appointed time, from among us, not to be our oppressing Lords, but servants to succour us. But these two are our weakest proofs. And yet by them (in the light of reason and equity that dwells in mens hearts) we shall with ease cast down, all those former enslaving, *Norman* reiterated laws, in every Kings raigne since the Conquest, which are as thornes in our eyes, and pricks

in our sides, and which are called the Ancient Government of *England*.

Thirdly, we shall prove, that we have a free right to the land of *England*, being borne therein as well as elder brothers, and that it is our right equal with them, and they with us, to have a comfortable livelihood in the earth, without owning any of our owne kinde, to be either Lords, or Land-Lords over us: And this we shall prove by plain Text of Scripture, without exposition upon them, which the Scholars and great ones generally say, is their rule to walk by.

Fourthly, we shall prove it by the Righteous Law of our Creation, That mankinde in all his branches, is the Lord of the Earth, and ought not to be in subjection to any of his own kinde without him, but to live in the light of the law of righteousness, and peace established in his heart.

And thus in love we have declared the purpose of our hearts plainly, without flatterie, expecting love, and the same sincerity from you, without grumbling, or quarreling, being Creatures of your own Image and mould, intending no other matter herein, but to observe the Law of righteous action, endeavouring to shut out of the Creation, the cursed thing, called *Particular Propriety*, which is the cause of all wars, bloud-shed, theft, and enslaving Laws, that hold the people under miserie.

Signed for and in the behalf of all the poor oppressed people of *England*, and the whole world.

THE MORAL REJECTION OF THE POOR

In 1704, a member of Parliament proposed that workhouse inmates of each parish be set to spinning and weaving wool to pay for their keep. In answer to this suggestion there appeared *The Giving of Alms No Charity* by Daniel Defoe, who had just completed a prison term for writing the *Shortest Way with Dissenters*.

Daniel Defoe (1661?–1731) was the younger son of a prosperous London butcher. Defoe's parents intended him for the ministry, but Defoe preferred trade to the pulpit. Defoe denied having failed as a hose factor; he certainly succeeded at tile-making for a time, but his interest in politics drew too much of his attention from business to permit that success to continue. He went bankrupt, took up pamphleteering as a profession and became thoroughly involved in the intrigues and speculations that characterized the political and mercantile worlds of Queen Anne. From Whiggery Defoe turned to the Tories and then declared he had been a spy in the Tory camp. A skilled journalist with a real business sense, and a devout nonconformist, Defoe earned a living by writing of ghosts, thieves, and prostitutes and by championing the cause of merchants and speculators. He was the typical spokesman for and advocate of mercantile and Mercantilist England; and his condemnation of the poor for their profligacy—this in the face of starvation wages—exactly hits off the England which emigrants sought to leave behind them.

In *Giving Alms No Charity* Defoe argues seriously—and not satirically—that there are ample opportunities for work in England. Yet the country suffers from a crowd of "clamoring unemployed," who "burden the rich and clog the parishes." What the poor of England require is not public provision of work—that would serve only to take jobs from other poor people, disturb the normal course of trade and destroy the reputation of English woolens abroad—but moral reformation. Parliament should busy itself not with laws for employing the poor, but with legislation to make them diligent, temperate, and thrifty. For the laborers of England—the poor—are creatures of unbridled appetites and unbounded insolence.

Defoe writes in another pamphlet:

"I mean the Advance of Wages, for this indeed, is the support of all the Insolence of Servants. . . . Nor is this Advance of Servants Wages any Wealth to them, but as above, their Morals being destroy'd, this overplus is generally laid out, either in Luxury or Vanity, that is to say, in *Strong Drink* by the Men-Servants, and in *gay things* by the Women-Servants; and take all that little Frugality which is to be found among them. . . . So that upon the

whole, neither the Laborer without-Doors, or the menial Servant within-Doors, are one jott the better in their Behavior, or the Richer in their Pockets for all the advance of Pay which they receive, which yet in the whole Kingdom, amounts to an immense Sum by the Year. To begin with the labouring Poor, they are indeed the Grievance of the Nation, and there seems an absolute Necessity to bring them, by severe regulations, to some State of immediate Subordination." (*The Great Law of Subordination Considered* [London, 1724]).

The English laborer, in short, is incurably idle and wickedly improvident. He will work till he has a few shillings in his pocket which he proceeds to squander at once in the alehouse. The female part of the servant class carries impudence even further than the male, for she not only demands exorbitant wages, but decks herself out in finery to the confusion of honest strangers. And he says again, in the same pamphlet: "A Gentleman in a Visit lately at a House of Good Fashion, who being recommended to one of the Gentleman's Daughters, mistook the Chambermaid for her who was designed for his Mistress, and unhappily stepping up to her saluted her first, which Misfortune cost him the loss of his Mistress."

For remedy, Defoe proposed "good Laws to secure the due *Subordination* of the People." Parliament should revive the wholesome institutions of Lycurgus, providing that "the poor might not be oppress'd" and that "they might not forget that they were Servants." Laws should keep the workman to his task as they keep the soldier to his place in the ranks, for leaving a master in the midst of harvest or the "middle of the Spring trade," is no more to be tolerated than desertion in battle. No servant, artisan or laborer should be employed without a certificate of discharge, which, incidentally, would protect the "travelling Poor" from arrest as vagabonds, "as is often unavoidably their Case."

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Giving Alms No Charity

BY DANIEL DEFOE

SINCE THE TIMES of *Queen Elizabeth* this nation has gone on to a prodigy of trade, of which the encrease of our customs from 400,000 crowns to two millions of pounds sterling *per ann.* is a demonstration beyond the power of argument; and that this whole encrease depends upon, and is principally occasion'd by the encrease of our manufacturers is so plain, I shall not take up any room here to make it out.

Having thus given an account how we came to be a rich, flourishing and populous nation, I crave leave as concisely as I can to examine how we came to be poor again, if it must be granted that we are so.

By poor here I humbly desire to be understood, not that we are a poor nation in general; I should undervalue the bounty of Heaven to *England*, and act with less understanding than most men are masters of, if I should not own, that in general we are *as rich a nation* as any in the world; but by poor I mean burthen'd with a crowd of clamouring, unimploy'd, unprovided for poor people, who make the nation uneasie, burthen the rich, clog our parishes, and make themselves worthy of laws, and peculiar management to dispose of and direct them: How these came to be thus is the question.

And first I humbly crave leave to lay these heads down as fundamental maxims, which I am ready at any time to defend and make out.

1. *There is in* England *more labour than hands to perform it, and consequently a want of people, not of employment.*
2. *No man in* England, *of sound limbs and senses, can be poor meerly for want of work.*
3. *All our work-houses, corporations and charities for employing the poor, and setting them to work, as now they are employ'd, or any Acts of Parliament to empower overseers of parishes, or parishes themselves, to employ the poor, except as shall be hereafter excepted, are, and will be publick nusances, mischiefs to the nation which serve to the ruin of families, and the encrease of the poor.*

4. *That 'tis a regulation of the poor that is wanted in* England, *not a setting them to work.*

I affirm, *that in* England *there is more labour than hands to perform it.* This I prove,

1*st.* From the dearness of wages, which in *England* out goes all nations in the world; and *I know no greater demonstration in trade.* Wages, like exchanges, rise and fall as the remitters and drawers, the employers and the workmen, ballance one another.

The employers are the remitters, the work-men are the drawers, if there are more employers than work-men, the price of wages must rise, because the employer wants that work to be done more than the poor man wants to do it, if there are more work-men than employers the price of labour falls, because the poor man wants his wages more than the employer wants to have his business done.

Trade, like all nature, most obsequiously obeys the great law of cause and consequence; and this is the occasion why even all the greatest articles of trade follow, and as it were pay homage to this seemingly minute and inconsiderable thing, *the poor man's labour.*

I omit, with some pain, the many very useful thoughts that occur on this head, to preserve the brevity I owe to the dignity of that assembly I am writing to. But I cannot but note how from hence it appears, that the glory, the strength, the riches, the trade, and all that's valuable in a nation, as to its figure in the world, depends upon the number of its people, be they never so mean or poor; the consumption of manufactures encreases the manufacturers; the number of manufacturers encreases the consumption; provisions are consum'd to feed them, land improv'd, and more hands employ'd to furnish provisions: All the wealth of the nation, and all the trade is produc'd by numbers of people; but of this by the way.

The price of wages not only determines the difference between the employer and the workman, but it rules the rates of every market. If wages grow high, provisions rise in proportion, and I humbly conceive it to be a mistake in those people, who say labour in such parts of *England* is cheap because provisions are cheap, but 'tis plain, provisions are cheap there because labour is cheap, and labour is cheaper in those parts than in others; because being remoter from *London* there is not that extraordinary disproportion between the work and the number of hands; there are more hands, and consequently labour cheaper.

If there was one poor man in *England* more than there was work to employ, either somebody else must stand still for him, or he must be starv'd; if another man stands still for him he wants a days work, and goes to seek it, and by consequence supplants another, and this a third, and this contention brings it to this; no, says the poor man, *that is like to be put out of his work*, rather than that man shall come in I'll do it cheaper; nay, says the other, but I'll do it cheaper than you; and thus one poor man wanting but a days work would bring down the price of labour in a whole nation, for the man cannot starve, and will work for any thing rather than want it.

It may be objected here, this is contradicted by our number of beggars.

I am sorry to say I am obliged here to call begging an employment, since 'tis plain, if there is more work than hands to perform it, no man that has his *limbs* and his *senses* need to beg, and those that *have not* ought to be put into a condition not to want it.

So that begging is a meer scandal in the general, *in the able* 'tis a scandal upon their industry, and *in the impotent* 'tis a scandal upon the country.

Nay, the begging, as now practic'd, is a scandal upon our charity, and perhaps the foundation of all our present grievance.—How can it be possible that any man or woman, who being sound in body and mind, may as 'tis apparent they may, have wages for their work, should be so base, so meanly spirited, as to beg an alms for Godsake.—Truly the scandal lies on our charity: and people have such a notion in *England* of being pittiful and charitable, that they encourage vagrants, and by a mistaken zeal do more harm than good.

This is a large scene, and much might be said upon it; I shall abridge it as much as possible.—The poverty of *England* does not lye among the craving beggars but among poor families, where the children are numerous, and where death or sickness has depriv'd them of the labour of the father; these are the houses that the sons and daughters of charity, if they would order it well, should seek out and relieve; an alms ill directed may be charity to the particular person, but becomes an injury to the publick, and no charity to the nation. As for the craving poor, I am perswaded I do them no wrong when I say, that if they were incorporated they would be the richest society in the nation; and the reason why so many pretend to want work is, that they can live so well with the pretence of wanting work, they would be mad to leave it and work in earnest; and I affirm of my own knowledge, when I have wanted a man for labouring work, and offer'd 9*s per* week to strouling fellows at my door, they have frequently told me to my face, they could get more

a begging, and I once set a lusty fellow in the stocks for making the experiment.

I shall, in its proper place, bring this to a method of tryal, since nothing but demonstration will affect us, 'tis an easie matter to prevent begging in *England*, and yet to maintain all our impotent poor at far less charge to the parishes than they now are oblig'd to be at.

When Queen *Elizabeth* had gain'd her point as to manufactories in *England*, she had fairly laid the foundation, she thereby found out the way how every family might live upon their own labour, like a wise princess she knew 'twould be hard to force people to work when there was nothing for them to turn their hands to; but as soon as she had brought the matter to bear, and there was work for every body that had no mind to starve, then she apply'd herself to make laws to oblige the people to do this work, and to punish vagrants, and make every one live by their own labour; all her successors followed this laudable example, and from hence came all those laws against sturdy beggars, vagabonds, stroulers, &c., which had they been severely put in execution by our magistrates, 'tis presum'd these vagrant poor had not so encreas'd upon us as they have.

And it seems strange to me, from what just ground we proceed now upon other methods, and fancy that 'tis now our business to find them work, and to employ them rather than to oblige them to find themselves work and go about it.

From this mistaken notion come all our workhouses and corporations, and the same error, with submission, I presume was the birth of this bill now depending, which enables every parish to erect the woollen manufacture within it self, for the employing their own poor. . . .

'Tis hard to calculate what a blow it would be to trade in general, should every county but manufacture all the several sorts of goods they use, it would throw our inland trade into strange convulsions, which at present is perhaps, or has been, in the greatest regularity of any in the world.

What strange work must it then make when every town shall have a manufacture, and every parish be a ware-house; trade will be burthen'd with corporations, which are generally equally destructive as monopolies, and by this method will easily be made so.

Parish stocks, under the direction of Justices of Peace, may soon come to set up petty manufactures, and here shall all useful things be made, and all the poorer sort of people shall be aw'd or byass'd to trade there only. Thus the shopkeepers, who pay taxes, and are the support of our inland circulation, will immediately be ruin'd, and thus we shall beggar the nation to provide for the poor.

As this will make every parish a market town, and every hospital a store-house, so in *London*, and the adjacent parts, to which vast quantities of the woollen manufacture will be thus transplanted, too great and disproportion'd numbers of the people will in time assemble.

Tho' the settled poor can't remove, yet single people will stroul about and follow the manufacturer; and thus in time such vast numbers will be drawn about *London*, as may be inconvenient to the government, and especially depopulating to those countries where the numbers of people, by reason of these manufactures are very considerable. . . .

If it be said here will be manufactures in every parish, and that will keep the people at home,

I humbly represent what strange confusion and particular detriment to the general circulation of trade *mention'd before* it must be, to have every parish make its own manufactures.

1. It will make our towns and counties independent of one another, and put a damp to correspondence, which all will allow to be a great motive of trade in general.

2. It will fill us with various sorts and kinds of manufactures, by which our stated sorts of goods will in time dwindle away in reputation, and foreigners not know them one from another. Our several manufactures are known by their respective names; and our serges, bayes and other goods, are bought abroad by the character and reputation of the places where they are made; when there shall come new and unheard of kinds to market, some better, some worse, as to be sure new undertakers will vary in kinds, the dignity and reputation of the *English* goods abroad will be lost, and so many confusions in trade must follow, as are too many to repeat.

3. Either our parish-stock must sell by wholesale or by retail, or both; if the first, 'tis doubted they will make sorry work of it, and having other business of their own make but poor merchants; if by retail, then they turn pedlars, will be a publick nusance to trade, and at last quite ruin it.

4. This will ruin all the carriers in *England*, the wool will be all manufactured where it is sheer'd, every body will make their own cloaths, and the trade which now lives by running thro' a multitude of hands, will go then through so few, that thousands of families will want employment, and this is the only way to reduce us to the condition spoken of, to have more hands than work.

'Tis the excellence of our *English* manufacture,

that it is so planted as to go thro' as many hands as 'tis possible; he that contrives to have it go thro' fewer, ought at the same time to provide work for the rest—as it is it employs a great multitude of people, and can employ more; but if a considerable number of these people be unhing'd from their employment, it cannot but be detrimental to the whole.

When I say we could employ more people in *England*, I do not mean that we cannot do our work with those we have, but I mean thus:

First, It should be more people brought over from foreign parts. I do not mean that those we have should be taken from all common employments and put to our manufacture; we may unequally dispose of our hands, and so have too many for some works, and too few for others; and 'tis plain that in some parts of *England* it is so, what else can be the reason, why in our southern parts of *England*, *Kent* in particular, borrows 20,000 people of other counties to get in her harvest.

But if more forreigners came among us, if it were 2 millions, it could do us no harm, because they would consume our provisions, and we have land enough to produce much more than we do, and they would consume our manufactures, and we have wool enough for any quantity.

I think therefore, with submission, to erect manufactures in every town to transpose the manufactures from the settled places into private parishes and corporations, to parcel out our trade to every door, it must be ruinous to the manufacturers themselves, will turn thousands of families out of their employments, and take the bread out of the mouths of diligent and industrious families to feed vagrants, thieves and beggars, who ought much rather to be compell'd, by legal methods, to seek that work which it is plain is to be had; and thus this Act will instead of settling and relieving the poor, encrease their number, and starve the best of them.

It remains now, according to my first proposal page 37, to consider from whence proceeds the poverty of our people, what accident, what decay of trade, what want of employment, what strange revolution of circumstances makes our people poor, and consequently burthensom, and our laws deficient, so as to make more and other laws requisite, and the nation concerned to apply a remedy to this growing disease. I answer,

1. Not for want of work; and besides what has been said on that head, I humbly desire these two things may be consider'd.

First, 'Tis apparent, that if one man, woman, or child, can by his, or her labour, earn more money than will subsist one body, there must consequently be no want of work, since any man would work for just as much as would supply himself rather than starve.—What a vast difference then must there be between the work and the workmen, when 'tis now known that in *Spittle-fields*, and other adjacent parts of the city, there is nothing more frequent than for a journey-man weaver, of many sorts, to gain from 15*s.* to 30*s.* *per* week wages, and I appeal to the silk throwsters, whether they do not give 8*s.* 9*s.* and 10*s.* *per* week, to blind men and cripples, to turn wheels, and do the meanest and most ordinary works.

Cur Moriatur Homo, &c.—Why are the families of these men starv'd, and their children in work-houses, and brought up by charity; I am ready to produce to this Honourable House the man who for several years has gain'd of me by his handy labour at the mean scoundrel employment of tile making from 16*s.* to 20*s.* *per* week wages, and all that time would hardly have a pair of shoes to his feet, or cloaths to cover his nakedness, and had his wife and children kept by the parish.

The meanest labours in this nation afford the work-man sufficient to provide for himself and his family, and that could never be if there was a want of work.

2. I humbly desire this Honourable House to consider the present difficulty of raising soldiers in this kingdom; the vast charge the kingdom is at to the officers to procure men; the many little and *not over honest methods* made use of to bring them into the service, the laws made to compel them; why are gaols rumag'd for malefactors, and the Mint and prisons for debtors, the war is an employment of honour, and suffers some scandal in having men taken from the gallows, and immediately from villains, and housebreakers made gentlemen soldiers. If men wanted employment, and consequently bread, this could never be, any man would carry a musket rather than starve, and wear the Queen's cloth, or any bodies cloth, rather than go naked, and live in rags and want; 'tis plain the nation is full of people, and 'tis as plain our people have no particular aversion to the war, but they are not poor enough to go abroad; 'tis poverty makes men soldiers, and drives crowds into the armies, and the difficulties to get *English*-men to list is, because they live in plenty and ease, and he that can earn 20*s.* *per* week at an easie, steady employment, must be drunk or mad when he lists for a soldier, to be knock'd o'th'head for 3*s.* 6*d.* *per* week; but if there was no work to be had, if the poor wanted employment, if they had not bread to eat, nor knew not how to earn it, thousands of young lusty fel-

lows would fly to the pike and musket, and choose to dye like men in the face of the enemy, rather than lye at home, starve, perish in poverty and distress.

From all these particulars, and innumerable unhappy instances which might be given, 'tis plain, the poverty of our people which is so burthensome, and increases upon us so much, does not arise from want of proper employments, and for want of work, or employers, and consequently,

Work-houses, corporations, parish-stocks, and the like, to set them to work, as they are pernicious to trade, injurious and impoverishing to those already employ'd, so they are needless, and will come short of the end propos'd.

The poverty and exigence of the poor in *England*, is plainly deriv'd from one of these two particular causes.

Casualty or Crime.—By casualty, I mean sickness of families, loss of limbs or sight, and any, either natural or accidental impotence as to labour.

These as infirmities meerly providential are not at all concern'd in this debate; ever were, will, and ought to be the charge and care of the respective parishes where such unhappy people chance to live, nor is there any want of new laws to make provision for them, our ancestors having been always careful to do it.

The crimes of our people, and from whence their poverty derives, as the visible and direct fountains are,

1. Luxury.
2. Sloath.
3. Pride.

Good husbandry is no *English* vertue, it may have been brought over, and in some places where it has been planted it has thriven well enough, but 'tis a forreign species, it neither loves, nor is belov'd by an *English-man;* and 'tis observ'd nothing is so universally hated, nothing treated with such a general contempt as a rich covetous man, tho' he does no man any wrong, only saves his own, every man will have an ill word for him, if a misfortune happens to him, hang him a covetous old rogue, 'tis no matter, he's rich enough, nay when a certain great man's house was on fire, I have heard the people say one to another, let it burn and 'twill, he's a covetous old miserly dog, I wo'nt trouble my head to help him, he'd be hang'd before he'd give us a bit of bread if we wanted it.

'Tho this be a fault, yet I observe from it something of the natural temper and genius of the nation, generally speaking, they cannot save their money.

'Tis generally said the *English* get estates, and the *Dutch* save them; and this observation I have made between forreigners and *English-men* that where an *English-man* earns 20*s. per* week, and *but just lives*, as we call it, a *Dutch-man* grows rich, and leaves his children in very good condition; where an *English* labouring man with his 9*s. per* week lives wretchedly and poor, a *Dutch-man* with that wages will live very tolerably well, keep the wolf from the door, and have every thing handsome about him. In short, he will be rich with the same gain as makes the *English-man* poor, he'll thrive when the other goes in rags, and he'll live when the other starves, or goes a begging.

The reason is plain, a man with good husbandry, and thought in his head, brings home his earnings honestly to his family, commits it to the management of his wife, or otherwise disposes it for proper subsistance, and this man with mean gains, lives comfortably, and brings up a family, when a single man getting the same wages, drinks it away at the ale-house, thinks not of to morrow, layes up nothing for sickness, age, or disaster, and when any of these happen, he's starv'd, and a beggar.

This is so apparent in every place, that I think it needs no explication; that *English* labouring people eat and drink, but especially the latter three times as much in value as any sort of forreigners of the same dimensions in the world.

I am not writing this as a satyr on our people, 'tis a sad truth; and worthy the debate and application of the nations physitians assembled in Parliament, the profuse extravagant humour of our poor people in eating and drinking, keeps them low, causes their children to be left naked and starving, to the care of the parishes, whenever either sickness or disaster befalls the parent.

The next article is their *sloath.*

We are the most *lazy diligent* nation in the world, vast trade, rich manufactures, mighty wealth, universal correspondence and happy success have been constant companions of *England*, and given us the title of an industrious people, and so in general we are.

But there is a general taint of slothfulness upon our poor, there's nothing more frequent, than for an *English-man* to work till he has got his pocket full of money, and then go and be idle, *or perhaps drunk*, till 'tis all gone, and perhaps himself in debt; and ask him in his cups what he intends, he'll tell you honestly, he'll drink as long as it lasts, and then go to work for more.

I humbly suggest this distemper's so general, so epidemick, and so deep rooted in the nature and genius of the *English*, that I much doubt its being easily redress'd, and question whether it be possible to reach it by an Act of Parliament.

This is the ruine of our poor, the *wife mourns*, the children *starve*, the husband *has work before him*, but lies at the ale-house, or otherwise *idles away* his time, and won't work.

'Tis the men that *wont work*, not the men that *can get no work*, which makes the numbers of our poor; all the work-houses in *England*, all the overseers setting up stocks and manufactures won't reach this case; and I humbly presume to say, if these two articles are remov'd, there will be no need of the other.

I make no difficulty to promise on a short summons, to produce above a thousand families in *England*, within my particular knowledge, who go in rags, and their children wanting bread, whose fathers can earn their 15 to 25*s. per* week, but will not work, who may have work enough, but are too idle to seek after it, and hardly vouchsafe to earn any thing more than bare subsistance, and spending money for themselves.

I can give an incredible number of examples in my own knowledge among our labouring poor. I once paid 6 or 7 men together on a *Saturday* night, the least 10*s.* and some 30*s.* for work, and have seen them go with it directly to the ale-house, lie there till *Monday*, spend it every penny, and run in debt to boot, and not give a farthing of it to their families, tho' all of them had wives and children.

From hence comes poverty, parish charges, and beggary, if ever one of these wretches falls sick, all they would ask was a pass to the parish they liv'd at, and the wife and children to the door a begging.

If this Honourable House can find out a remedy for this part of the mischief; if such Acts of Parliament may be made as may effectually cure the sloath and luxury of our poor, that shall make drunkards take care of wife and children, spendthrifts lay up for a *wet day;* idle, lazy fellows diligent; and thoughtless sottish men, careful and provident.

If this can be done, I presume to say, there will be no need of transposing and confounding our manufactures, and the circulation of our trade; they will soon find work enough, and there will soon be less poverty among us, and if this cannot be done, setting them to work upon woollen manufactures, and thereby encroaching upon those that now work at them, will but ruine our trade, and consequently increase the number of the poor. . . .

THE ENGLISH HERITAGE

TOLERATION

In the 1640s, Englishmen had risen against a King who attempted to impose his will on the nation: to levy its taxes, declare its law and dictate the form of its religious observance. Whatever may have been the social and economic roots of that revolt, its formulas were cast in religious terms. In a sense, the English Civil Wars may be taken as one of the first effective expressions of resistance against a uniformity imposed from without. The State, and in the State, the King, may rule the lives of its members. So said the royalist party. Its opponents maintained that certain aspects of life —conscience and property among them— were beyond reach of authority. Government, in fine, exists for the service of society, not for its mastery.

From that view stems the political theory of the existence of civil or natural rights which appeared before government and are above its interference. From that view, too, is derived the idea of the peculiar and personal character of conscience and a consequent necessity for religious toleration. And since it was the dissenting and the dispossessed who made the bulk of those who first left Europe for America, the assertion that there were affairs in which government—which was controlled by the conformers and the possessors—had no right to meddle became a statement with which American opinion was increasingly inclined to agree.

Of the Englishmen who formulated the theory of natural rights, few were more persuasive, or more read in America, than John Locke (1632–1704), intellectual father of the revolutions of the eighteenth century and precursor of Benthamism and the liberalism of the nineteenth. Though Locke was too young for actual participation in the Civil Wars, his father, a prosperous lawyer, suffered by joining on the side of Parliament. This, however, did not hinder Locke's education; he attended Westminster school and Oxford, where he rejected the aridities of scholasticism for the experimental approach to knowledge. In line with his distaste for the empty disputations of the university, Locke abandoned theology for the study of medicine, a choice which finally led to his friendship with the first Earl of Shaftesbury, deist, politician and founder of Carolina.

Locke's own background was Parliamentary, as has been noted, but many of his friends were royalist. Yet he accepted the Restoration as a device for reestablishing constitutional government, not as an atonement for a wrong. Later in the decade, Locke became physician, friend, and adviser to Shaftesbury; he helped draft the strange constitution for the colony that Shaftesbury was establishing in Carolina; and, when James II proceeded to emulate his father's effort and moved in the direction of absolutism, Locke joined his patron in exile.

Only after his return to England did Locke make writing his chief work. Though his treatises on education and the theory of knowledge may figure more largely in the history of English philosophy, it was his essays on toleration and on government that supplied the Whigs with political theory and, together with his more strictly philosophic works, laid the foundation for the Benthamite radicalism which was to challenge Toryism and Whig doctrine alike.

Toleration had long interested Locke; he had written an essay on the subject in 1667,

shortly before he began practicing medicine, but twenty-two years passed before the publication of the *Four Letters Concerning Toleration* which were the final development of that essay. Morals are more important than theology, Locke argues, and right conduct superior to right belief—a principle which seems to foreshadow Emerson and William James and John Dewey. Furthermore, right conduct will be promoted by a separation between the "business of civil government" and matters of religion. Life, liberty, and property should be secured to all by the civil magistrate; but as salvation is beyond his power, so it should be beyond his meddling. The church is a free and voluntary society which may make its own laws, but which may enforce those laws only by exhortation, advice and, if necessary, expulsion from its body. Excommunication is possible, under a policy of toleration, but it may not extend to the "damnifying of body or estate." Nor may any church exercise jurisdiction over another.

Toleration requires that priests be confined to church affairs; they must refrain from violence or persecution and should preach peace and good-will toward the erroneous as well as the orthodox. Confound men's errors, Locke advises the clergy, but spare their persons. He continues by urging that civil rights be extended to all, not limited to the Christian sects only. For it is the refusal of toleration and not the diversity of sects which is responsible for tumults in the state.

The circumstances of Locke's time are very evident in the ideas underlying his plea for toleration. It is those who approve tyranny in the state who would force faith upon the reluctant, Locke remarks in a thrust at the Tories. Furthermore, man is endowed with natural rights which he secures by the organization of society into governments. At bedrock, that idea of civil rights justifies the risings which had executed one king, dethroned a second and finally established a compromise which Locke set himself to defend. That defense became a political theory, in time, and its reasoning was part of the intellectual atmosphere which helped shape the thinking of Americans in generations to come.

The selection is from John Locke, *Four Letters Concerning Toleration* (London, 1689).

A Letter Concerning Toleration

BY JOHN LOCKE

HONORED SIR,

Since you are pleased to inquire what are my thoughts about the mutual Toleration of Christians in their different professions of religion, I must needs answer you freely, that I esteem that toleration to be the chief characteristical mark of the true church. For whatsoever some people boast of the antiquity of places and names, or of the pomp of their outward worship; others, of the reformation of their discipline; all, of the orthodoxy of their faith, for every one is orthodox to himself; these things, and all others of this nature, are much rather marks of men striving for power and empire over one another, than of the church of Christ. Let any one have ever so true a claim to all these things, yet if he be destitute of charity, meekness, and good-will in general towards all mankind, even to those that are not Christians, he is certainly yet short of being a true Christian himself. 'The kings of 'the Gentiles exercise lordship over them,' said our Saviour to his disciples, 'but ye shall not be so' (Luke xxii.) The business of true religion is quite another thing. It is not instituted in order to the erecting an external pomp, nor to the obtaining of ecclesiastical dominion, nor to the exercising of compulsive force; but to the regulating of mens lives according to the rules of virtue and piety. Whosoever will list himself under the banner of Christ, must, in the first place and above all things, make war upon his own lusts and vices. It is in vain for any man to usurp the name of Christian without holiness of life, purity of manners, and benignity and meekness of spirit. 'Let every one that nameth 'the name of Christ, depart from iniquity.' 'Thou, when thou art converted, strengthen thy brethren,' said our Lord to Peter (Luke xxii). It would indeed be very hard for one that appears careless about his own salva-

tion, to persuade me that he were extremely concerned for mine. For it is impossible that those should sincerely and heartily apply themselves to make other people Christians, who have not really embraced the Christian religion in their own hearts. If the Gospel and the apostles may be credited, no man can be a Christian without charity, and without that faith which works, not by force, but by love. Now I appeal to the consciences of those that persecute, torment, destroy, and kill other men upon pretence of religion, whether they do it out of friendship and kindness towards them, or no: and I shall then indeed, and not till then, believe they do so, when I shall see those fiery zealots correcting, in the same manner, their friends and familiar acquaintance, for the manifest sins they commit against the precepts of the Gospel; when I shall see them persecute with fire and sword the members of their own communion that are tainted with enormous vices, and without amendment are in danger of eternal perdition: and when I shall see them thus express their love and desire of the salvation of their souls by the infliction of torments, and exercise of all manner of cruelties. For if it be out of a principle of charity, as they pretend, and love to mens souls, that they deprive them of their estates, maim them with corporal punishments, starve and torment them in noisome prisons, and in the end even take away their lives; I say, if all this be done merely to make men Christians and procure their salvation, why then do they suffer 'whoredom, fraud, malice, and 'such like enormities,' which, according to the apostle (Rom. i.), manifestly relish of heathenish corruption, to predominate so much and abound amongst their flocks and people? These, and such like things, are certainly more contrary to the glory of God, to the purity of the church, and for the salvation of souls, than any conscientious dissent from ecclesiastical decision, or separation from public worship, whilst accompanied with innocency of life. Why then does this burning zeal for God, for the church, and for the salvation of souls; burning, I say, literally, with fire and faggot, pass by those moral vices and wickednesses, without any chastisement, which are aknowledged by all men to be diametrically opposite to the profession of Christianity; and bend all its nerves either to the introducing of ceremonies, or to the establishment of opinions, which for the most part are about nice and intricate matters that exceed the capacity of ordinary understandings? . . . Whosoever therefore is sincerely solicitous about the kingdom of God, and thinks it his duty to endeavour the enlargement of it amongst men, ought to apply himself with no less care and industry to the rooting out of these immoralities than to the extirpation of sects. But if any one do otherwise, and whilst he is cruel and implacable towards those that differ from him in opinion, he be indulgent to such iniquities and immoralities as are unbecoming the name of a Christian, let such a one talk ever so much of the church, he plainly demonstrates by his actions, that it is another kingdom he aims at, and not the advancement of the kingdom of God.

That any man should think fit to cause another man, whose salvation he heartily desires, to expire in torments, and that even in an unconverted estate, would, I confess, seem very strange to me, and I think, to any other also. But nobody, surely, will ever believe that such a carriage can proceed from charity, love, or good-will. If any one maintain that men ought to be compelled by fire and sword to profess certain doctrines, and conform to this or that exterior worship, without any regard had unto their morals; if any one endeavour to convert those that are erroneous unto the faith, by forcing them to profess things that they do not believe, and allowing them to practise things that the Gospel does not permit; it cannot be doubted, indeed, that such a one is desirous to have a numerous assembly joined in the same profession with himself; but that he principally intends by those means to compose a truly Christian church, is altogether incredible. . . .

The toleration of those that differ from others in matters of religion, is so agreeable to the Gospel of Jesus Christ, and to the genuine reason of mankind, that it seems monstrous for men to be so blind, as not to perceive the necessity and advantage of it, in so clear a light. I will not here tax the pride and ambition of some, the passion and uncharitable zeal of others. These are faults from which human affairs can perhaps scarce ever be perfectly freed; but yet such as nobody will bear the plain imputation of, without covering them with some specious colour; and so pretend to commendation, whilst they are carried away by their own irregular passions. But however, that some may not colour their spirit of persecution and unchristian cruelty, with a pretence of care of the publick weal, and observation of the laws; and that others, under pretence of religion, may not seek impunity for their libertinism and licentiousness; in a word, that none may impose either upon himself or others, by the pretences of loyalty and obedience to the prince, or of tenderness and sincerity in the worship of God; I esteem it above all things necessary to distinguish exactly the business of civil government from that of religion, and to settle the just bounds that lie between the one and

the other. If this be not done, there can be no end put to the controversies that will be always arising between those that have, or at least pretend to have, on the one side, a concernment for the interest of mens souls, and on the other side, a care of the commonwealth.

The commonwealth seems to me to be a society of men constituted only for the procuring, the preserving, and the advancing their own civil interests.

Civil interests I call life, liberty, health, and indolency of body; and the possession of outward things, such as money, lands, houses, furniture, and the like.

It is the duty of the civil magistrate, by the impartial execution of equal laws, to secure unto all the people in general, and to every one of his subjects in particular, the just possession of these things belonging to this life. If any one presume to violate the laws of publick justice and equity, established for the preservation of these things, his presumption is to be checked by the fear of punishment, consisting in the deprivation or diminution of those civil interests, or goods, which otherwise he might and ought to enjoy. But seeing no man does willingly suffer himself to be punished by the deprivation of any part of his goods, and much less of his liberty or life, therefore is the magistrate armed with the force and strength of all his subjects, in order to the punishment of those that violate any other man's rights.

Now that the whole jurisdiction of the magistrate reaches only to these civil concernments; and that all civil power, right, and dominion, is bounded and confined to the only care of promoting these things; and that it neither can nor ought in any manner to be extended to the salvation of souls; these following considerations seem unto me abundantly to demonstrate.

First, because the care of souls is not committed to the civil magistrate, any more than to other men. It is not committed unto him, I say, by God; because it appears not that God has ever given any such authority to one man over another, as to compel any one to his religion. Nor can any such power be vested in the magistrate by the consent of the people; because no man can so far abandon the care of his own salvation, as blindly to leave it to the choice of any other, whether prince or subject, to prescribe to him what faith or worship he shall embrace. For no man can, if he would, conform his faith to the dictates of another. All the life and power of true religion consists in the outward and full persuasion of the mind; and faith is not faith without believing. Whatever profession we make, to whatever outward worship we conform, if we are not fully satisfied in our own mind that the one is true, and the other well pleasing unto God, such profession and such practice, far from being any furtherance, are indeed great obstacles to our salvation. For in this manner, instead of expiating other sins by the exercise of religion, I say, in offering thus unto God Almighty such a worship as we esteem to be displeasing unto him, we add unto the number of our other sins, those also of hypocrisy, and contempt of his Divine Majesty.

In the second place. The care of souls cannot belong to the civil magistrate, because his power consists only in outward force: but true and saving religion consists in the inward persuasion of the mind, without which nothing can be acceptable to God. And such is the nature of the understanding, that it cannot be compelled to the belief of any thing by outward force. Confiscation of estate, imprisonment, torments, nothing of that nature can have any such efficacy as to make men change the inward judgment that they have framed of things.

It may indeed be alleged, that the magistrate may make use of arguments, and thereby draw the heterodox into the way of truth, and procure their salvation. I grant it; but this is common to him with other men. In teaching, instructing, and redressing the erroneous by reason, he may certainly do what becomes any good man to do. Magistracy does not oblige him to put off either humanity or Christianity. But it is one thing to persuade, another to command; one thing to press with arguments, another with penalties. This the civil power alone has a right to do; to the other, goodwill is authority enough. Every man has commission to admonish, exhort, convince another of error, and by reasoning to draw him into truth: but to give laws, receive obedience, and compel with the sword, belongs to none but the magistrate. And upon this ground I affirm that the magistrate's power extends not to the establishing of any articles of faith or forms of worship, by the force of his laws. For laws are of no force at all without penalties, and penalties in this case are absolutely impertinent; because they are not proper to convince the mind. Neither the profession of any articles of faith, nor the conformity to any outward form of worship as has been already said, can be available to the salvation of souls, unless the truth of the one, and the acceptableness of the other unto God, be thoroughly believed by those that so profess and practice. But penalties are no ways capable to produce such belief. It is only light and evidence that can work a change in mens opinions; and that light can in

no manner proceed from corporal sufferings, or any other outward penalties.

In the third place, the care of the salvation of mens souls cannot belong to the magistrate; because, though the rigour of laws and the force of penalties were capable to convince and change mens minds, yet would not that help at all to the salvation of their souls. For, there being but one truth, one way to heaven; what hopes is there that more men would be led into it, if they had no other rule to follow but the religion of the court, and were put under a necessity to quit the light of their own reason, to oppose the dictates of their own consciences, and blindly to resign up themselves to the will of their governors, and to the religion, which either ignorance, ambition, or superstition had chanced to establish in the countries where they were born? In the variety and contradiction of opinions in religion, wherein the princes of the world are as much divided as in their secular interests, the narrow way would be much straitened; one country alone would be in the right, and all the rest of the world put under an obligation of following their princes in the ways that lead to destruction: and that which heightens the absurdity, and very ill suits the notion of a deity, men would owe their eternal happiness or their eternal misery to the places of their nativity.

These considerations, to omit many others that might have been urged to the same purpose, seem unto me sufficient to conclude, that all the power of civil government relates only to men's civil interests, is confined to the care of the things of this world, and have nothing to do with the world to come.

Let us now consider what a church is. A church then I take to be a voluntary society of men, joining themselves together of their own accord, in order to the publick worshipping of God, in such a manner as they may judge acceptable to him, and effectual to the salvation of their souls.

I say, it is a free and voluntary society. Nobody is born a member of any church; otherwise the religion of parents would descend unto children, by the same right of inheritance as their temporal estates, and every one would hold his faith by the same tenure he does his lands; than which nothing can be imagined more absurd. Thus therefore that matter stands. No man by nature is bound unto any particular church or sect, but every one joins himself voluntarily to that society in which he believes he has found that profession and worship which is truly acceptable to God. The hopes of salvation, as it was the only cause of his entrance into that communion, so it can be the only reason of his stay there. . . .

But it may be asked, by what means then shall ecclesiastical laws be established, if they must be thus destitute of all compulsive power? I answer, they must be established by means suitable to the nature of such things, whereof the external profession and observation, if not proceeding from a thorough conviction and approbation of the mind, is altogether useless and unprofitable. The arms by which the members of this society are to be kept within their duty, are exhortations, admonitions, and advice. If by these means the offenders will not be reclaimed, and the erroneous convinced, there remains nothing further to be done, but that such stubborn and obstinate persons, who give no ground to hope for their reformation, should be cast out and separated from the society. This is the last and utmost force of ecclesiastical authority: no other punishment can thereby be inflicted, than that the relation ceasing between the body and the member which is cut off, the person so condemned ceases to be a part of that church.

These things being thus determined, let us inquire in the next place, how far the duty of Toleration extends, and what is required from every one by it.

And first: I hold, that no church is bound by the duty of Toleration to retain any such person in her bosom, as after admonition continues obstinately to offend against the laws of the society. For these being the condition of communion, and the bond of the society, if the breach of them were permitted without any animadversion, the society would immediately be thereby dissolved. But nevertheless, in all such cases care is to be taken that the sentence of excommunication and the execution thereof, carry with it no rough usage of word or action, whereby the ejected person may any ways be damnified in body or estate. For all force, as has often been said, belongs only to the magistrate, nor ought any private persons, at any time, to use force; unless it be in self-defence against unjust violence. Excommunication neither does nor can deprive the excommunicated person of any of those civil goods that he formerly possessed. All those things belong to the civil government, and are under the magistrate's protection. The whole force of excommunication consists only in this, that the resolution of the society in that respect being declared, the union that was between the body and some member, comes thereby to be dissolved; and that relation ceasing, the participation of some certain things, which the

society communicated to its members, and unto which no man has any civil right, comes also to cease. For there is no civil injury done unto the excommunicated person, by the church minister's refusing him that bread and wine, in the celebration of the Lord's supper, which was not bought with his, but other mens money.

Secondly: No private person has any right, in any manner to prejudice another person in his civil enjoyments, because he is of another church or religion. All the rights and franchises that belong to him as a man, or as a denison, are inviolably to be preserved to him. These are not the business of religion. No violence nor injury is to be offered him, whether he be Christian or pagan. . . .

What I say concerning the mutual Toleration of private persons differing from one another in religion, I understand also of particular churches; which stand as it were in the same relation to each other as private persons among themselves, nor has any one of them any manner of jurisdiction over any other, no not even when the civil magistrate, as it sometimes happens, comes to be of this or the other communion. For the civil government can give no new right to the church, nor the church to the civil government. So that whether the magistrate join himself to any church, or separate from it, the church remains always as it was before, a free and voluntary society. It neither acquires the power of the sword by the magistrate's coming to it, nor does it lose the right of instruction and excommunication by his going from it. This is the fundamental and immutable right of a spontaneous society, that it has power to remove any of its members who transgress the rules of its institution: but it cannot, by the accession of any new members, acquire any right of jurisdiction over those that are not joined with it. And therefore peace, equity, and friendship, are always mutually to be observed by particular churches, in the same manner as by private persons, without any pretence of superiority or jurisdiction over one another. . . .

Nevertheless, it is worthy to be observed, and lamented, that the most violent of these defenders of the truth, the opposers of errors, the exclaimers against schism, do hardly ever let loose this their zeal for God, with which they are so warmed and inflamed, unless where they have the civil magistrate on their side. But so soon as ever court-favour has given them the better end of the staff, and they begin to feel themselves the stronger, then presently peace and charity are to be laid aside: otherwise, they are religiously to be observed. Where they have not the power to carry on persecution, and to become masters, there they desire to live upon fair terms, and preach up Toleration. When they are not strengthened by the civil power, then they can bear most patiently, and unmovedly, the contagion of idolatry, superstition, and heresy, in their neighbourhood; of which, in other occasions, the interest of religion makes them to be extremely apprehensive. They do not forwardly attack those errors which are in fashion at court, or are countenanced by the government. Here they can be content to spare their arguments: which yet, with their leave, is the only right method of propagating truth, which has no such way of prevailing, as when strong arguments and good reason, are joined with the softness of civility and good usage.

No body, therefore, in fine, neither single persons, nor churches, nay, nor even commonwealths, have any just title to invade the civil rights and worldly goods of each other, upon pretence of religion. Those that are of another opinion, would do well to consider with themselves how pernicious a seed of discord and war, how powerful a provocation to endless hatreds, rapines, and slaughters, they thereby furnish unto mankind. No peace and security, no not so much as common friendship, can ever be established or preserved amongst men, so long as this opinion prevails, 'that dominion is founded in grace' and that 'religion is to be propagated by force of arms.'

In the third place: Let us see what the duty of Toleration requires from those who are distinguished from the rest of mankind, from the laity, as they please to call us, by some ecclesiastical character and office; whether they be bishops, priests, presbyters, ministers, or however else dignified or distinguished. It is not my business to inquire here into the original of the power or dignity of the clergy. This only I say, that whencesoever their authority be sprung, since it is ecclesiastical, it ought to be confined within the bounds of the church, nor can it in any manner be extended to civil affairs; because the church itself is a thing absolutely separate and distinct from the commonwealth. The boundaries on both sides are fixed and immoveable. He jumbles heaven and earth together, the things most remote and opposite, who mixes these societies; which are in their original, end, business, and in every thing, perfectly distinct, and infinitely different from each other. No man therefore, with whatsoever ecclesiastical office he be dignified, can deprive another man that is not of his church and faith, either of liberty, or of any part of his worldly

goods, upon the account of that difference which is between them in religion. For whatsoever is not lawful to the whole church, cannot, by any ecclesiastical right, become lawful to any of its members.

But this is not all. It is not enough that ecclesiastical men abstain from violence and rapine, and all manner of persecution. He that pretends to be a successor of the apostles, and takes upon him the office of teaching, is obliged also to admonish his hearers of the duties of peace, and good-will towards all men; as well towards the erroneous as the orthodox; towards those that differ from them in faith and worship, as well as towards those that agree with them therein: and he ought industriously to exhort all men, whether private persons or magistrates, if any such there be in his church, to charity, meekness, and toleration; and diligently endeavour to allay and temper all that heat, and unreasonable averseness of mind, which either any man's fiery zeal for his own sect, or the craft of others, has kindled against dissenters. I will not undertake to represent how happy and how great would be the fruit, both in church and state, if the pulpits everywhere sounded with this doctrine of peace and toleration; lest I should seem to reflect too severely upon those men whose dignity I desire not to detract from, nor would have it diminished either by others or themselves. But this I say, that thus it ought to be. And if any one that professes himself to be a minister of the word of God, a preacher of the Gospel of peace, teach otherwise; he either understands not, or neglects the business of his calling, and shall one day give account thereof unto the Prince of peace. If Christians are to be admonished that they abstain from all manner of revenge, even after repeated provocations and multiplied injuries; how much more ought they who suffer nothing, who have had no harm done them, forbear violence, and abstain from all manner of ill usage towards those from whom they have received none. This caution and temper they ought certainly to use towards those who mind only their own business, and are solicitous for nothing but that, whatever men think of them, they may worship God in that manner which they are persuaded is acceptable to him, and in which they have the strongest hopes of eternal salvation. In private domestic affairs, in the management of estates, in the conservation of bodily health, every man may consider what suits his own conveniency, and follow what course he likes best. No man complains of the ill-management of his neighbour's affairs. No man is angry with another for an error committed in sowing his land, or in marrying his daughter. No body corrects a spendthrift for consuming his substance in taverns. Let any man pull down, or build, or make whatsoever expenses he pleases, no body murmurs, no body controuls him; he has his liberty. But if any man do not frequent the church, if he do not there conform his behaviour exactly to the accustomed ceremonies, or if he brings not his children to be initiated in the sacred mysteries of this or the other congregation; this immediately causes an uproar, and the neighbourhood is filled with noise and clamour. Every one is ready to be the avenger of so great a crime. And the zealots hardly have patience to refrain from violence and rapine, so long till the cause be heard, and the poor man be, according to form, condemned to the loss of liberty, goods, or life. Oh that our ecclesiastical orators, of every sect, would apply themselves with all the strength of arguments that they are able, to the confounding of mens errors! But let them spare their persons. Let them not supply their want of reasons with the instruments of force, which belong to another jurisdiction, and do ill become a churchman's hands. Let them not call in the magistrate's authority to the aid of their eloquence, or learning; lest perhaps, whilst they pretend only love for the truth, this their intemperate zeal, breathing nothing but fire and sword, betray their ambition, and shew that what they desire is temporal dominion. For it will be very difficult to persuade men of sense, that he, who with dry eyes, and satisfaction of mind, can deliver his brother unto the executioner, to be burnt alive, does sincerely and heartily concern himself to save that brother from the flames of hell in the world to come.

In the last place. Let us now consider what is the magistrate's duty in the business of toleration: which we think is very certainly considerable.

We have already proved, that the care of souls does not belong to the magistrate: not a magisterial care, I mean, if I may so call it, which consists in prescribing by laws, and compelling by punishments. But a charitable care, which consists in teaching, admonishing, and persuading, cannot be denied unto any man. The care therefore of every man's soul belongs unto himself, and is to be left unto himself. But what if he neglect the care of his soul? I answer, what if he neglect the care of his health, or of his estate, which things are nearlier related to the government of the magistrate than the other? Will the magistrate provide by an express law, that such an one shall not become poor or sick? Laws provide, as much as is possible, that the goods and health of subjects be not injured by the fraud or violence of others; they do not guard them from the negligence or

ill-husbandry of the possessors themselves. No man can be forced to be rich or healthful, whether he will nor no. Nay, God himself will not save men against their wills. Let us suppose, however, that some prince were desirous to force his subjects to accumulate riches, or to preserve the health and strength of their bodies. Shall it be provided by law, that they must consult none but Roman physicians, and shall every one be bound to live according to their prescriptions! What, shall no potion, no broth be taken, but what is prepared either in the Vatican, suppose, or in a Geneva shop? . . .

But let us grant unto these zealots, who condemn all things that are not of their mode, that from these circumstances arise different ends. What shall we conclude from thence? There is only one of these which is the true way to eternal happiness. But in this great variety of ways that men follow, it is still doubted which is this right one. Now neither the care of the commonwealth, nor the right of enacting laws, does discover this way that leads to heaven more certainly to the magistrate, than every private man's search and study discovers it unto himself. I have a weak body, sunk under a languishing disease, for which, I suppose, there is only one remedy, but that unknown. Does it therefore belong unto the magistrate to prescribe me a remedy, because there is but one, and because it is unknown? Because there is but one way for me to escape death, will it therefore be safe for me to do whatsoever the magistrate ordains? Those things that every man ought sincerely to enquire into himself, and by meditation, study, search, and his own endeavours, attain the knowledge of, cannot be looked upon as the peculiar profession of any one sort of men. Princes indeed are born superior unto other men in power, but in nature equal. Neither the right, nor the art of ruling, does necessarily carry along with it the certain knowledge of other things; and least of all of the true religion. For if it were so, how could it come to pass that the lords of the earth should differ so vastly as they do in religious matters? But let us grant that it is probable the way to eternal life may be better known by a prince than by his subjects; or at least, that in this incertitude of things, the safest and most commodious way for private persons is to follow his dictates. You will say, what then? If he should bid you follow merchandize for your livelihood, would you decline that course for fear it should not succeed? I answer: I would turn merchant upon the prince's command, because in case I should have ill success in trade, he is abundantly able to make up my loss some other way. If it be true, as he pretends, that he desires I should thrive and grow rich, he can set me up again when unsuccessful voyages have broken me. But this is not the case, in the things that regard the life to come. If there I take wrong course, if in that respect I am once undone, it is not in the magistrate's power to repair my loss, to ease my suffering, or to restore me in any measure, much less entirely, to a good estate. What security can be given for the kingdom of heaven? . . .

That we may draw towards a conclusion. 'The sum of all we drive 'at is, that every man enjoy the same rights that are granted to others.' Is it permitted to worship God in the Roman manner? Let it be permitted to do it in the Geneva form also. Is it permitted to speak Latin in the market-place? Let those that have a mind to it, be permitted to do it also in the church. Is it lawful for any man in his own house to kneel, stand, sit, or use any other posture; and to cloath himself in white or black, in short or in long garments? Let it not be made unlawful to eat bread, drink wine, or wash with water in the church. In a word: whatsoever things are left free by law in the common occasions of life, let them remain free unto every church in divine worship. Let no man's life, or body, or house, or estate, suffer any manner of prejudice upon these accounts. Can you allow of the Presbyterian discipline? why should not the Episcopal also have what they like? Ecclesiastical authority, whether it be administered by the hands of a single person, or many, is every where the same; and neither has any jurisdiction in things civil, nor any manner of power of compulsion, nor any thing at all to do with riches and revenues.

Ecclesiastical assemblies, and sermons, are justified by daily experience, and public allowance. These are allowed to people of some one persuasion: why not to all? If any thing pass in a religious meeting seditiously, and contrary to the public peace, it is to be punished in the same manner, and no otherwise, than as if it had happened in a fair or market. These meetings ought not to be sanctuaries of factious and flagitious fellows: nor ought it to be less lawful for men to meet in churches than in halls: nor are one part of the subjects to be esteemed more blameable, for their meeting together, than others. Every one is to be accountable for his own actions: and no man is to be laid under a suspicion, or odium, for the fault of another. Those that are seditious, murderers, thieves, robbers, adulterers, slanderers, etc. of whatsoever church, whether national or not, ought to be punished and suppressed. But those whose doctrine is peaceable, and whose manners are pure and blameless, ought to be upon equal

terms with their fellow-subjects. Thus if solemn assemblies, observations of festivals, public worship, be permitted to any one sort of professors; all these things ought to be permitted to the Presbyterians, Independents, Anabaptists, Arminians, Quakers, and others, with the same liberty. Nay, if we may openly speak the truth, and as becomes one man to another, neither Pagan nor Mahometan, nor Jew, ought to be excluded from the civil rights of the commonwealth, because of his religion. The Gospel commands no such thing. The church, which 'judgeth not those that are without' (1 Cor. v.), want it not. And the commonwealth, which embraces indifferently all men that are honest, peaceable, and industrious, requires it not. Shall we suffer a Pagan to deal and trade with us, and shall we not suffer him to pray unto and worship God? If we allow the Jews to have private houses and dwellings amongst us, why should we not allow them to have synagogues? Is their doctrine more false, their worship more abominable, or is the civil peace more endangered, by their meeting in public than in their private houses? But if these things may be granted to Jews and Pagans, surely the condition of any Christians ought not to be worse than theirs, in a Christian commonwealth.

You will say, perhaps, Yes, it ought to be; because they are more inclinable to factions, tumults, and civil wars. I answer: is this the fault of the Christian religion? If it be so, truly the Christian religion is the worst of all religions, and ought neither to be embraced by any particular person, nor tolerated by any commonwealth. For if this be the genius, this the nature of the Christian religion, to be turbulent, and destructive to the civil peace, that church itself which the magistrate indulges, will not always be innocent. But far be it from us to say any such thing of that religion, which carries the greatest opposition to covetousness, ambition, discord, contention, and all manner of inordinate desires; and is the most modest and peaceable religion that ever was. We must therefore seek another cause of those evils that are charged upon religion. And if we consider right, we shall find it consist wholly in the subject that I am treating of. It is not the diversity of opinions, which cannot be avoided, but the refusal of toleration to those that are of different opinions, which might have been granted, that has produced all the bustles and wars, that have been in the Christian world, upon account of religion. The heads and leaders of the church, moved by avarice and insatiable desire of dominion, making use of the immoderate ambition of magistrates, and the credulous superstition of the giddy multitude, have incensed and animated them against those that dissent from themselves; by preaching unto them, contrary to the laws of the Gospel, and to the precepts of charity, that schismatics and heretics are to be outed of their possessions, and destroyed. And thus have they mixed together, and confounded two things, that are in themselves most different, the church and the commonwealth. Now as it is very difficult for men patiently to suffer themselves to be stript of the goods, which they have got by their honest industry; and contrary to all the laws of equity, both human and divine, to be delivered up for a prey to other mens violence and rapine, especially when they are otherwise altogether blameless; and that the occasion for which they are thus treated, does not at all belong to the jurisdiction of the magistrate, but entirely to the conscience of every particular man; for the conduct of which he is accountable to God only; what else can be expected, but that these men, growing weary of the evils under which they labour, should in the end think it lawful for them to resist force with force, and to defend their natural rights, which are not forfeitable upon account of religion, with arms as well as they can? . . . But that magistrates should thus suffer these incendiaries, and disturbers of the public peace, might justly be wondered at, if it did not appear that they have been invited by them unto a participation of the spoil, and have therefore thought fit to make use of their covetousness and pride, as means whereby to increase their own power. For who does not see that these good men are indeed more ministers of the government, than ministers of the Gospel; and that by flattering the ambition, and favouring the dominion of princes and men in authority, they endeavour with all their might to promote that tyranny in the commonwealth, which otherwise they should not be able to establish in the church? This is the unhappy agreement that we see between the church and state. Whereas if each of them would contain itself within its own bounds, the one attending to the worldly welfare of the commonwealth, the other to the salvation of souls, it is impossible that any discord should ever have happened between them. '*Sed pudet haec opprobria*, etc.' God Almighty grant, I beseech him, that the Gospel of peace may at length be preached, and that civil magistrates, growing more careful to conform their own consciences to the law of God, and less solicitous about the binding of other mens consciences by human laws, may, like fathers of their country, direct all their counsels and endeavours to promote universally the civil welfare of all their

children; except only of such as are arrogant, ungovernable, and injurious to their brethren; and that all ecclesiastical men, who boast themselves to be the successors of the Apostles, walking peaceably and modestly, in the Apostles steps, without intermeddling with state-affairs, may apply themselves wholly to promote the salvation of souls. Farewel. . . .

CIVIL RIGHTS

LOCKE'S IDEAS of natural rights and popular sovereignty—which were to capture the minds and emotions of Americans so profoundly—were developed in his *Essay on Civil Government*, the second of the *Two Treatises on Government* which appeared in 1690. In his preface Locke indicated the immediate occasion for the work: he was defending the Glorious Revolution of 1688. James II's derelictions the English were prepared to countenance because the succession was indicated: his daughter Mary and her Protestant consort, William Prince of Orange, were to succeed to the throne. But when the King announced the birth of a male heir and there was danger that Catholicism might once more be restored, all those economic, social, and religious forces that had combined to make the Civil Wars a successful assault on absolutism once more took alarm. The Glorious Revolution followed. James was driven out and William and Mary were invited to ascend the throne. The Glorious Revolution added the capstone to the Civil Wars: it assured the "Rights of Englishmen," for it not only fixed a Protestant succession to the throne but it established the supremacy of the law and the sovereignty of the nation for all time.

Out of the Revolution emerged two great statements: Locke's and the Declaration of Rights (subsequently incorporated into an act and hence frequently known as the Bill of Rights). These were among the heritages Americans acquired from England. Broadly, they are the ideas of natural rights and constitutionalism. The "Rights of Englishmen" included these great liberties: habeas corpus, trial by jury and representative government, and they had been acquired as a result of a long struggle against absolutism. When Americans in the 1760s and 1770s came to challenge the tyranny of the English Crown, they felt they were justified in invoking as their defense the concept of natural rights and their constitutional prerogatives.

Locke, in his preface to the *Two Treatises*, had written: "These . . . I hope are sufficient to establish the Throne of our great Restorer, our present King *William:* to make good his title, in the Consent of the People; which being the only one of all lawful Governments, he has more fully and clearly, than any Prince in *Christendom;* and to justify to the World the People of *England*, whose love of their just and natural RIGHTS, with their RESOLUTION to preserve them, saves the NATION when it was on the very birth of Slavery and Ruin."

Locke proceeded to refute the doctrine of absolute monarchy, finding his arguments largely in the concept of natural rights. But Locke's "state of nature" was not that of Hobbes. To Locke the "state of nature" is not "a war of every man against every man." Rather: "The state of nature and the state of war, which however some men have confounded, are as far distant as a state of peace, good-will, mutual assistance and preservation, and a state of enmity, malice, violence and mutual destruction, are one from another. Men living together according to reason, without a common superior on earth with authority to judge between them, is properly the state of nature." In this state of nature all men are equal in the sense that they are endowed with certain natural, or inalienable, rights which no other individual may justifiably infringe, "when his own preservation comes not in com-

petition." And then Locke went on to say: "The great and chief end . . . of men uniting into commonwealths, and putting themselves under government, is the preservation of their property. . . . And so, whoever has the legislative or supreme power of any commonwealth, is bound to govern by established standing laws, promulgated and known to the people; . . . and all this is to be directed to no other end but the peace, safety, and public good of the people."

The social contract, out of which government emerges, therefore is no surrender of individual rights. The fact is, citizens bind themselves to allegiance to the laws so long as these laws do not infringe upon the original purpose for which the society was established. Here, then, is the right to revolution—a right which the Declaration of Independence reaffirmed. But within limits: it is revolution against tyrannical government that is justifiable and not revolution against men's indefeasible natural rights. And the greatest of these is property. It was no wonder, later, that Locke was thoroughly acceptable to both the Jeffersonians and the Hamiltonians.

The selection here reprinted is from Locke's *Essay on Civil Government* (1690).

Of Civil Government

BY JOHN LOCKE

. . . I THINK it may not be amiss to set down what I take to be political power. That the power of a magistrate over a subject may be distinguished from that of a father over his children, a master over his servant, a husband over his wife, and a lord over his slave. All which distinct powers happening sometimes together in the same man, if he be considered under these different relations, it may help us to distinguish these powers one from another, and show the difference betwixt a ruler of a commonwealth, a father of a family, and a captain of a galley.

Political power, then, I take to be a right of making laws, with penalties of death, and consequently all less penalties for the regulating and preserving of property, and of employing the force of the community in the execution of such laws, and in the defence of the commonwealth from foreign injury, and all this only for the public good.

CHAPTER II: OF THE STATE OF NATURE

To understand political power aright, and derive it from its original, we must consider what estate all men are naturally in, and that is, a state of perfect freedom to order their actions, and dispose of their possessions and persons as they think fit, within the bounds of the law of Nature, without asking leave or depending upon the will of any other man.

A state also of equality, wherein all the power and jurisdiction is reciprocal, no one having more than another, there being nothing more evident than that creatures of the same species and rank, promiscuously born to all the same advantages of Nature, and the use of the same faculties, should also be equal one amongst another, without subordination or subjection, unless the lord and master of them all should, by any manifest declaration of his will, set one above another, and confer on him, by an evident and clear appointment, an undoubted right to dominion and sovereignty. . . .

But though this be a state of liberty, yet it is not a state of licence; though man in that state have an uncontrollable liberty to dispose of his person or possessions, yet he has not liberty to destroy himself, or so much as any creature in his possession, but where some nobler use than its bare preservation calls for it. The state of Nature has a law of Nature to govern it, which obliges every one, and reason, which is that law, teaches all mankind who will but consult it, that being all equal and independent, no one ought to harm another in his life, health, liberty or possessions; for men being all the workmanship of one omnipotent and infinitely wise Maker; all the servants of one sovereign Master, sent into the world by His order and about His business; they are His property, whose workmanship they are made to last during His, not one another's pleasure. And, being furnished with like faculties, sharing all in one community of Nature, there cannot be supposed any such subordination among us that may authorise us to destroy one another, as if we were made for one another's uses, as the inferior ranks of creatures are for ours. Every one as he is bound to preserve himself, and not to quit his station wilfully, so by the like reason, when his own preser-

vation comes not in competition, ought he as much as he can to preserve the rest of mankind, and not unless it be to do justice on an offender, take away or impair the life, or what tends to the preservation of the life, the liberty, health, limb, or goods of another.

And that all men may be restrained from invading others' rights, and from doing hurt to one another, and the law of Nature be observed, which willeth the peace and preservation of all mankind, the execution of the law of Nature is in that state put into every man's hands, whereby every one has a right to punish the transgressors of that law to such a degree as may hinder its violation. For the law of Nature would, as all other laws that concern men in this world, be in vain if there were nobody that in the state of Nature had a power to execute that law, and thereby preserve the innocent and restrain offenders; and if any one in the state of Nature may punish another for any evil he has done, every one may do so. For in that state of perfect equality, where naturally there is no superiority of jurisdiction of one over another, what any may do in prosecution of that law, every one must needs have a right to do.

And thus, in the state of Nature, one man comes by a power over another, but yet no absolute of arbitrary power to use a criminal, when he has got him in his hands, according to the passionate heats or boundless extravagancy of his own will, but only to retribute to him so far as calm reason and conscience dictate, what is proportionate to his transgression, which is so much as may serve for reparation and restraint. For these two are the only reasons why one man may lawfully do harm to another, which is that we call punishment. In transgressing the law of Nature, the offender declares himself to live by another rule than that of reason and common equity, which is that measure God has set to the actions of men for their mutual security, and so he becomes dangerous to mankind; the tie which is to secure them from injury and violence being slighted and broken by him, which being a trespass against the whole species, and the peace and safety of it, provided for by the law of Nature, every man upon this score, by the right he hath to preserve mankind in general, may restrain, or where it is necessary, destroy things noxious to them, and so may bring such evil on any one who hath transgressed that law, as may make him repent the doing of it, and thereby deter him, and, by his example, others from doing the like mischief. And in this case, and upon this ground, every man hath a right to punish the offender, and be executioner of the law of Nature. . . .

To this strange doctrine—viz., That in the state of Nature every one has the executive power of the law of Nature—I doubt not but it will be objected that it is unreasonable for men to be judges in their own cases, that self-love will make men partial to themselves and their friends; and, on the other side, ill-nature, passion, and revenge will carry them too far in punishing others, and hence nothing but confusion and disorder will follow, and that therefore God hath certainly appointed government to restrain the partiality and violence of men. I easily grant that civil government is the proper remedy for the inconveniences of the state of Nature, which must certainly be great where men may be judges in their own case, since it is easy to be imagined that he who was so unjust as to do his brother an injury will scarce be so just as to condemn himself for it. But I shall desire those who make this objection to remember that absolute monarchs are but men; and if government is to be the remedy of those evils which necessarily follow from men being judges in their own cases, and the state of Nature is therefore not to be endured, I desire to know what kind of government that is, and how much better it is than the state of Nature, where one man commanding a multitude has the liberty to be judge in his own case, and may do to all his subjects whatever he pleases without the least question or control of those who execute his pleasure? and in whatsoever he doth, whether led by reason, mistake, or passion, must be submitted to? which men in the state of Nature are not bound to do one to another. And if he that judges, judges amiss in his own or any other case, he is answerable for it to the rest of mankind.

It is often asked as a mighty objection, where are, or ever were, there any men in such a state of Nature? To which it may suffice as an answer at present, that since all princes and rulers of "independent" governments all through the world are in a state of Nature, it is plain the world never was, nor never will be, without numbers of men in that state. I have named all governors of "independent" communities, whether they are, or are not, in league with others; for it is not every compact that puts an end to the state of Nature between men, but only this one of agreeing together mutually to enter into one community, and make one body politic; other promises and compacts men may make one with another, and yet still be in the state of Nature. The promises and bargains for truck, etc., between the two men in Soldania, in or between a Swiss and an Indian, in the woods of America, are binding to them, though they are perfectly in a state of Nature in

reference to one another for truth, and keeping of faith belongs to men as men, and not as members of society.

To those that say there were never any men in the state of Nature, I will not only oppose the authority of the judicious Hooker, where he says, "the laws which have been hitherto mentioned" —*i.e.*, the laws of Nature—"do bind men absolutely, even as they are men, although they have never any settled fellowship, never any solemn agreement amongst themselves what to do or not to do; but for as much as we are not by ourselves sufficient to furnish ourselves with competent store of things needful for such a life as our Nature doth desire, a life fit for the dignity of man, therefore to supply those defects and imperfections which are in us, as living single and solely by ourselves, we are naturally induced to seek communion and fellowship with others; this was the cause of men uniting themselves as first in politic societies." But I, moreover, affirm that all men are naturally in that state, and remain so till, by their own consents, they make themselves members of some politic society, and I doubt not, in the sequel of this discourse, to make it very clear.

Chapter V: Of Property

Whether we consider natural reason, which tells us that men, being once born, have a right to their preservation, and consequently to meat and drink and such other things as Nature affords for their subsistence, or "revelation," which gives us an account of those grants God made of the world to Adam, and to Noah and his sons, it is very clear that God, as King David says, "has given the earth to the children of men," given it to mankind in common. But, this being supposed, it seems to some a very great difficulty how any one should ever come to have a property in anything, I will not content myself to answer, that, if it be difficult to make out "property" upon a supposition that God gave the world to Adam and his posterity in common, it is impossible that any man but one universal monarch should have any "property" upon a supposition that God gave the world to Adam and his heirs in succession, exclusive of all the rest of his posterity; but I shall endeavour to show how men might come to have a property in several parts of that which God gave to mankind in common, and that without any express compact of all the commoners.

God, who hath given the world to men in common, hath also given them reason to make use of it to the best advantage of life and convenience. The earth and all that is therein is given to men for the support and comfort of their being. And though all the fruits it naturally produces, and beasts it feeds, belong to mankind in common, as they are produced by the spontaneous hand of Nature, and nobody has originally a private dominion exclusive of the rest of mankind in any of them, as they are thus in their natural state, yet being given for the use of men, there must of necessity be a means to appropriate them some way or other before they can be of any use, or at all beneficial, to any particular men. The fruit or venison which nourishes the wild Indian, who knows no enclosure, and is still a tenant in common, must be his, and so his—*i.e.*, a part of him, that another can no longer have any right to it before it can do him any good for the support of his life.

Though the earth and all inferior creatures be common to all men, yet every man has a "property" in his own "person." This nobody has any right to but himself. The "labour" of his body and the "work" of his hands, we may say, are properly his. Whatsoever, then, he removes out of the state that Nature hath provided and left it in, he hath mixed his labour with it, and joined to it something that is his own, and thereby makes it his property. It being by him removed from the common state Nature placed it in, it hath by this labour something annexed to it that excludes the common right of other men. For this "labour" being the unquestionable property of the labourer, no man but he can have a right to what that is once joined to, at least where there is enough, and as good left in common for others.

He that is nourished by the acorns he picked up under an oak, or the apples he gathered from the trees in the wood, has certainly appropriated them to himself. Nobody can deny but the nourishment is his. I ask, then, when did they begin to be his? when he digested? or when he ate? or when he boiled? or when he brought them home? or when he picked them up? And it is plain, if the first gathering made them not his, nothing else could. That labour put a distinction between them and common. That added something to them more than Nature, the common mother of all, had done, and so they became his private right. And will any one say he had no right to those acorns or apples he thus appropriated because he had not the consent of all mankind to make them his? Was it a robbery thus to assume to himself what belonged to all in common? If such a consent as that was necessary, man had starved, notwithstanding the plenty God had given him. We see in commons, which remain so by compact, that it is the taking any part of what is common, and removing it out of the state Na-

ture leaves it in, which begins the property, without which the common is of no use. And the taking of this or that part does not depend on the express consent of all the commoners. Thus, the grass my horse has bit, the turfs my servant has cut, and the ore I have digged in any place, where I have a right to them in common with others, become my property without the assignation or consent of anybody. The labour that was mine, removing them out of that common state they were in, hath fixed my property in them.

By making an explicit consent of every commoner necessary to any one's appropriating to himself any part of what is given in common. Children or servants could not cut the meat which their father or master had provided for them in common without assigning to every one his peculiar part. Though the water running in the fountain be every one's, yet who can doubt but that in the pitcher is his only who drew it out? His labour hath taken it out of the hands of Nature where it was common, and belonged equally to all her children, and hath thereby appropriated it to himself. . . .

It will, perhaps, be objected to this, that if gathering the acorns or other fruits of the earth, etc., makes a right to them, then any one may engross as much as he will. To which I answer, Not so. The same law of Nature that does by this means give us property, does also bound that property too. "God has given us all things richly." Is the voice of reason confirmed by inspiration? But how far has He given it us—"to enjoy"? As much as any one can make use of to any advantage of life before it spoils, so much he may by his labour fix a property in. Whatever is beyond this is more than his share, and belongs to others. Nothing was made by God for man to spoil or destroy. And thus considering the plenty of natural provisions there was a long time in the world, and the few spenders, and to how small a part of that provision the industry of one man could extend itself and engross it to the prejudice of others, especially keeping within the bounds set by reason of what might serve for his use, there could be then little room for quarrels or contentions about property so established.

But the chief matter of property being now not the fruits of the earth and the beasts that subsist on it, but the earth itself, as that which takes in and carries with it all the rest, I think it is plain that property in that too is acquired as the former. As much land as a man tills, plants, improves, cultivates, and can use the product of, so much is his property. He by his labour does, as it were, enclose it from the common. Nor will it invalidate his right to say everybody else has an equal title to it, and therefore he cannot appropriate, he cannot enclose, without the consent of all his fellow-commoners, all mankind. God, when He gave the world in common to all mankind, commanded man also to labour, and the penury of his condition required it of him. God and his reason commanded him to subdue the earth—*i.e.*, improve it for the benefit of life and therein lay out something upon it that was his own, his labour. He that, in obedience to this command of God, subdued, tilled, and sowed any part of it, thereby annexed to it something that was his property, which another had no title to, nor could without injury take from him.

Nor was this appropriation of any parcel of land, by improving it, any prejudice to any other man, since there was still enough and as good left, and more than the yet unprovided could use. So that, in effect, there was never the less left for others because of his enclosure for himself. For he that leaves as much as another can make use of does as good as take nothing at all. Nobody could think himself injured by the drinking of another man, though he took a good draught, who had a whole river of the same water left him to quench his thirst. And the case of land and water, where there is enough of both, is perfectly the same.

God gave the world to men in common, but since He gave it them for their benefit and the greatest conveniences of life they were capable to draw from it, it cannot be supposed He meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational (and labour was to be his title of it); not to the fancy or covetousness of the quarrelsome and contentious. He that had as good left for his improvement as was already taken up needed not complain, ought not to meddle with what was already improved by another's labour; if he did it is plain he desired the benefit of another's pains, which he had no right to, and not the ground which God had given him, in common with others, to labour on, and whereof there was as good left as that already possessed, and more than he knew what to do with, or his industry could reach to.

It is true, in land that is common in England or any other country, where there are plenty of people under government who have money and commerce, no one can enclose or appropriate any part without the consent of all his fellow-commoners; because this is left common by compact—*i.e.*, by the law of the land, which is not to be violated. And, though it be common in respect

of some men, it is not so to all mankind, but is the joint propriety of this country, or this parish. Besides, the remainder, after such enclosure, would not be as good to the rest of the commoners as the whole was, when they could all make use of the whole; whereas in the beginning and first peopling of the great common of the world it was quite otherwise. The law man was under was rather for appropriating. God commanded, and his wants forced him to labour. That was his property, which could not be taken from him wherever he had fixed it. And hence subduing or cultivating the earth and having dominion, we see, are joined together. The one gave title to the other. So that God, by commanding to subdue, gave authority so far to appropriate. And the condition of human life, which requires labour and materials to work on, necessarily introduce private possessions.

The measure of property Nature well set, by the extent of men's labour and the conveniency of life. No man's labour could subdue or appropriate all, nor could his enjoyment consume more than a small part; so that it was impossible for any man, this way, to entrench upon the right of another or acquire to himself a property to the prejudice of his neighbour, who would still have room for as good and as large a possession (after the other had taken out his) as before it was appropriated. Which measure did confine every man's possession to a very moderate proportion, and such as he might appropriate to himself without injury to anybody in the first ages of the world, when men were more in danger to be lost, by wandering from their company, in the then vast wilderness of the earth than to be straitened for want of room to plant in. . . .

Chapter VIII: Of the Beginning of Political Societies

Men being, as has been said, by nature all free, equal, and independent, no one can be put out of this estate and subjected to the political power of another without his own consent, which is done by agreeing with other men, to join and unite into a community for their comfortable, safe, and peaceable living, one amongst another, in a secure enjoyment of their properties, and a greater security against any that are not of it. This any number of men may do, because it injures not the freedom of the rest; they are left, as they were, in the liberty of the state of Nature. When any number of men have so consented to make one community or government, they are thereby presently incorporated, and make one body politic, wherein the majority have a right to act and conclude the rest.

For, when any number of men have, by the consent of every individual, made a community, they have thereby made that community one body, with a power to act as one body, which is only by the will and determination of the majority. For that which acts any community, being only the consent of the individuals of it, and it being one body, must move one way, it is necessary the body should move that way whither the greater force carries it, which is the consent of the majority, or else it is impossible it should act or continue one body, one community, which the consent of every individual that united into it agreed that it should; and so every one is bound by that consent to be concluded by the majority. And therefore we see that in assemblies empowered to act by positive laws where no number is set by that positive law which empowers them, the act of the majority passes for the act of the whole, and of course determines as having, by the law of Nature and reason, the power of the whole.

And thus every man, by consenting with others to make one body politic under one government, puts himself under an obligation to every one of that society to submit to the determination of the majority, and to be concluded by it; or else this original compact, whereby he with others incorporates into one society, would signify nothing, and be no compact if he be left free and under no other ties than he was in before in the state of Nature. For what appearance would there be of any compact? What new engagement if he were no farther tied by any decrees of the society than he himself thought fit and did actually consent to? This would be still as great a liberty as he himself had before his compact, or any one else in the state of Nature, who may submit himself and consent to any acts of it if he thinks fit.

For if the consent of the majority shall not in reason be received as the act of the whole, and conclude every individual, nothing but the consent of every individual can make anything to be the act of the whole, which, considering the infirmities of health and avocations of business, which in a number though much less than that of a commonwealth, will necessarily keep many away from the public assembly; and the variety of opinions and contrariety of interests which unavoidably happen in all collections of men, it is next impossible ever to be had. And, therefore, if coming into society be upon such terms, it will be only like Cato's coming into the theatre, *tantum ut exiret*. Such a constitution as this would make the mighty leviathan of a shorter duration

than the feeblest creatures, and not let it outlast the day it was born in, which cannot be supposed till we can think that rational creatures should desire and constitute societies only to be dissolved. For where the majority cannot conclude the rest, there they cannot act as one body, and consequently will be immediately dissolved again.

Whosoever, therefore, out of a state of Nature unite into a community, must be understood to give up all the power necessary to the ends for which they unite into society to the majority of the community, unless they expressly agreed in any number greater than the majority. And this is done by barely agreeing to unite into one political society, which is all the compact that is, or needs be, between the individuals that enter into or make up a commonwealth. And thus, that which begins and actually constitutes any political society is nothing but the consent of any number of freemen capable of majority, to unite and incorporate into such a society. And this is that, and that only, which did or could give beginning to any lawful government in the world. . . .

Chapter IX: Of the Ends of Political Society and Government

If man in the state of Nature be so free as has been said, if he be absolute lord of his own person and possessions, equal to the greatest and subject to nobody, why will he part with his freedom, this empire, and subject himself to the dominion and control of any other power? To which it is obvious to answer, that though in the state of Nature he hath such a right, yet the enjoyment of it is very uncertain and constantly exposed to the invasion of others; for all being kings as much as he, every man his equal, and the greater part no strict observers of equity and justice, the enjoyment of the property he has in this state is very unsafe, very insecure. This makes him willing to quit this condition which, however free, is full of fears and continual dangers; and it is not without reason that he seeks out and is willing to join in society with others who are already united, or have a mind to unite for the mutual preservation of their lives, liberties and estates, which I call by the general name—property.

The great and chief end, therefore, of men uniting into commonwealths, and putting themselves under government, is the preservation of their property; to which in the state of Nature there are many things wanting.

Firstly, there wants an established, settled, known law, received and allowed by common consent to be the standard of right and wrong, and the common measure to decide all controversies between them. For though the law of Nature be plain and intelligible to all rational creatures, yet men, being biased by their interest, as well as ignorant for want of study of it, are not apt to allow of it as a law binding to them in the application of it to their particular cases.

Secondly, in the state of Nature there wants a known and indifferent judge, with authority to determine all differences according to the established law. For every one in that state being both judge and executioner of the law of Nature, men being partial to themselves, passion and revenge is very apt to carry them too far, and with too much heat in their own cases, as well as negligence and unconcernedness, make them too remiss in other men's.

Thirdly, in the state of Nature there often wants power to back and support the sentence when right, and to give it due execution. They who by any injustice offended will seldom fail where they are able by force to make good their injustice. Such resistance many times makes the punishment dangerous, and frequently destructive to those who attempt it.

Thus mankind, notwithstanding all the privileges of the state of Nature, being but in an ill condition while they remain in it are quickly driven into society. Hence it comes to pass, that we seldom find any number of men live any time together in this state. The inconveniencies that they are therein exposed to by the irregular and uncertain exercise of the power every man has of punishing the transgressions of others, make them take sanctuary under the established laws of government, and therein seek the preservation of their property. It is this makes them so willingly give up every one his single power of punishing to be exercised by such alone as shall be appointed to it amongst them, and by such rules as the community, or those authorised by them to that purpose, shall agree on. And in this we have the original right and rise of both the legislative and executive power as well as of the governments and societies themselves.

For in the state of Nature to omit the liberty he has of innocent delights, a man has two powers. The first is to do whatsoever he thinks fit for the preservation of himself and others within the permission of the law of Nature; by which law, common to them all, he and all the rest of mankind are one community, make up one society distinct from all other creatures, and were it not for the corruption and viciousness of degenerate men, there would be no need of any other, no necessity that men should separate from this great and natural community, and associate into lesser

combinations. The other power a man has in the state of Nature is the power to punish the crimes committed against that law. Both these he gives up when he joins in a private, if I may so call it, or particular political society, and incorporates into any commonwealth separate from the rest of mankind.

The first power—viz., of doing whatsoever he thought fit for the preservation of himself and the rest of mankind, he gives up to be regulated by laws made by the society, so far forth as the preservation of himself and the rest of that society shall require; which laws of the society in many things confine the liberty he had by the law of Nature.

Secondly, the power of punishing he wholly gives up, and engages his natural force, which he might before employ in the execution of the law of Nature, by his own single authority, as he thought fit, to assist the executive power of the society as the law thereof shall require. For being now in a new state, wherein he is to enjoy many conveniencies from the labour, assistance, and society of others in the same community, as well as protection from its whole strength, he is to part also with as much of his natural liberty, in providing for himself, as the good, prosperity, and safety of the society shall require, which is not only necessary but just, since the other members of the society do the like.

But though men when they enter into society give up the equality, liberty, and executive power they had in the state of Nature into the hands of the society, to be so far disposed of by the legislative as the good of the society shall require, yet it being only with an intention in every one the better to preserve himself, his liberty and property (for no rational creature can be supposed to change his condition with an intention to be worse), the power of the society or legislative constituted by them can never be supposed to extend farther than the common good, but is obliged to secure every one's property by providing against those three defects above mentioned that made the state of Nature so unsafe and uneasy. And so, whoever has the legislative or supreme power of any commonwealth, is bound to govern by established standing laws, promulgated and known to the people, and not by extemporary decrees, by indifferent and upright judges, who are to decide controversies by those laws; and to employ the force of the community at home only in the execution of such laws, or abroad to prevent or redress foreign injuries and secure the community from inroads and invasion. And all this to be directed to no other end but the peace, safety, and public good of the people.

Chapter XI: Of the Extent of the Legislative Power

The great end of men's entering into society being the enjoyment of their properties in peace and safety, and the great instrument and means of that being the laws established in that society, the first and fundamental positive law of all commonwealths is the establishing of the legislative power, as the first and fundamental natural law which is to govern even the legislative. Itself is the preservation of the society and (as far as will consist with the public good) of every person in it. This legislative is not only the supreme power of the commonwealth, but sacred and unalterable in the hands where the community have once placed it. Nor can any edict of anybody else, in what form soever conceived, or by what power soever backed, have the force and obligation of a law which has not its sanction from that legislative which the public has chosen and appointed; for without this the law could not have that which is absolutely necessary to its being a law, the consent of the society, over whom nobody can have a power to make laws but by their own consent and by authority received from them; and therefore all the obedience, which by the most solemn ties any one can be obliged to pay, ultimately terminates in this supreme power, and is directed by those laws which it enacts. Nor can any oaths to any foreign power whatsoever, or any domestic subordinate power, discharge any member of the society from his obedience to the legislative, acting pursuant to their trust, nor oblige him to any obedience contrary to the laws so enacted or farther than they do allow, it being ridiculous to imagine one can be tied ultimately to obey any power in the society which is not the supreme.

Though the legislative, whether placed in one or more, whether it be always in being or only by intervals, though it be the supreme power in every commonwealth, yet, first, it is not, nor can possibly be, absolutely arbitrary over the lives and fortunes of the people. For it being but the joint power of every member of the society given up to that person or assembly which is legislator, it can be no more than those persons had in a state of Nature before they entered into society, and gave it up to the community. For nobody can transfer to another more power than he has in himself, and nobody has an absolute arbitrary power over himself, or over any other, to de-

stroy his own life, or take away the life or property of another. A man, as has been proved, cannot subject himself to the arbitrary power of another; and having, in the state of Nature, no arbitrary power over the life, liberty, or possession of another, but only so much as the law of Nature gave him for the preservation of himself and the rest of mankind, this is all he doth, or can give up to the commonwealth, and by it to the legislative power, so that the legislative can have no more than this. Their power in the utmost bounds of it is limited to the public good of the society. It is a power that hath no other end but preservation, and therefore can never have a right to destroy, enslave, or designedly to impoverish the subjects; the obligations of the law of Nature cease not in society, but only in many cases are drawn closer, and have, by human laws, known penalties annexed to them to enforce their observation. Thus the law of Nature stands as an eternal rule to all men, legislators as well as others. The rules that they make for other men's actions must, as well as their own and other men's actions, be conformable to the law of Nature—*i.e.*, to the will of God, of which that is a declaration, and the fundamental law of Nature being the preservation of mankind, no human sanction can be good or valid against it.

Secondly, the legislative or supreme authority cannot assume to itself a power to rule by extemporary arbitrary decrees, but is bound to dispense justice and decide the rights of the subject by promulgated standing laws, and known authorised judges. For the law of Nature being unwritten, and so nowhere to be found but in the minds of men, they who, through passion or interest, shall miscite or misapply it, cannot so easily be convinced of their mistake where there is no established judge; and so it serves not as it aught, to determine the rights and fence the properties of those that live under it, especially where every one is judge, interpreter, and executioner of it too, and that in his own case; and he that has right on his side, having ordinarily but his own single strength, hath not force enough to defend himself from injuries or punish delinquents. To avoid these inconveniencies which disorder men's properties in the state of Nature, men unite into societies that they may have the united strength of the whole society to secure and defend their properties, and may have standing rules to bound it by which every one may know what is his. To this end it is that men give up all their natural power to the society they enter into, and the community put the legislative power into such hands as they think fit, with this trust, that they shall be governed by declared laws, or else their peace, quiet, and property will still be at the same uncertainty as it was in the state of Nature.

Absolute arbitrary power, or governing without settled standing laws, can neither of them consist with the ends of society and government, which men would not quit the freedom of the state of Nature for, and tie themselves up under, were it not to preserve their lives, liberties, and fortunes, and by stated rules of right and property to secure their peace and quiet. It cannot be supposed that they should intend, had they a power so to do, to give any one or more an absolute arbitrary power over their persons and estates, and put a force into the magistrate's hand to execute his unlimited will arbitrarily upon them; this were to put themselves into a worse condition than the state of Nature, wherein they had a liberty to defend their right against the injuries of others, and were upon equal terms of force to maintain it, whether invaded by a single man or many in combination. Whereas by supposing they have given up themselves to the absolute arbitrary power and will of a legislator, they have disarmed themselves, and armed him to make a prey of them when he pleases; he being in a much worse condition that is exposed to the arbitrary power of one man who has the command of a hundred thousand than he that is exposed to the arbitrary power of a hundred thousand single men, nobody being secure, that his will who has such a command is better than that of other men, though his force be a hundred thousand times stronger. And, therefore, whatever form the commonwealth is under, the ruling power ought to govern by declared and received laws, and not by extemporary dictates and undetermined resolutions, for then mankind will be in a far worse condition than in the state of Nature if they shall have armed one or a few men with the joint power of a multitude, to force them to obey at pleasure the exorbitant and unlimited decrees of their sudden thoughts, or unrestrained, and till that moment, unknown wills, without having any measures set down which may guide and justify their actions. For all the power the government has, being only for the good of the society, as it ought not to be arbitrary and at pleasure, so it ought to be exercised by established and promulgated laws, that both the people may know their duty, and be safe and secure within the limits of the law, and the rulers, too, kept within their due bounds, and not be tempted by the power they have in their hands to employ it to purposes, and

by such measures as they would not have known, and own not willingly.

Thirdly, the supreme power cannot take from any man any part of his property without his own consent. For the preservation of property being the end of government, and that for which men enter into society, it necessarily supposes and requires that the people should have property, without which they must be supposed to lose that by entering into society which was the end for which they entered into it; too gross an absurdity for any man to own. Men, therefore, in society having property, they have such a right to the goods, which by the law of the community are theirs, that nobody hath a right to take them, or any part of them, from them without their own consent; without this they have no property at all. For I have truly no property in that which another can by right take from me when he pleases against my consent. Hence it is a mistake to think that the supreme or legislative power of any commonwealth can do what it will, and dispose of the estates of the subject arbitrarily, or take any part of them at pleasure. This is not much to be feared in governments where the legislative consists wholly or in part in assemblies which are variable, whose members upon the dissolution of the assembly are subjects under the common laws of their country, equally with the rest. But in governments where the legislative is in one lasting assembly, always in being, or in one man as in absolute monarchies, there is danger still, that they will think themselves to have a distinct interest from the rest of the community, and so will be apt to increase their own riches and power by taking what they think fit from the people. For a man's property is not at all secure, though there be good and equitable laws to set the bounds of it between him and his fellow-subjects, if he who commands those subjects have power to take from any private man what part he pleases of his property, and use and dispose of it as he thinks good.

But government, into whosesoever hands it is put, being as I have before showed, entrusted with this condition, and for this end, that men might have and secure their properties, the prince or senate, however it may have power to make laws for the regulating of property between the subjects one amongst another, yet can never have a power to take to themselves the whole, or any part of the subjects' property, without their own consent; for this would be in effect to leave them no property at all. And to let us see that even absolute power, where it is necessary, is not arbitrary by being absolute, but is still limited by that reason, and confined to those ends which required it in some cases to be absolute, we need look no farther than the common practice of martial discipline. For the preservation of the army, and in it of the whole commonwealth, requires an absolute obedience to the command of every superior officer, and it is justly death to disobey or dispute the most dangerous or unreasonable of them; but yet we see that neither the sergeant that could command a soldier to march up to the mouth of a cannon, or stand in a breach where he is almost sure to perish, can command that soldier to give him one penny of his money; nor the general that can condemn him to death for deserting his post, or not obeying the most desperate orders, cannot yet with all his absolute power of life and death dispose of one farthing of that soldier's estate, or seize one jot of his goods; whom yet he can command anything, and hang for the least disobedience. Because such a blind obedience is necessary to that end for which the commander has his power—viz., the preservation of the rest, but the disposing of his goods has nothing to do with it.

It is true governments cannot be supported without great charge, and it is fit every one who enjoys his share of the protection should pay out of his estate his proportion for the maintenance of it. But still it must be with his own consent—*i.e.*, the consent of the majority, giving it either by themselves or their representatives chosen by them; for if any one shall claim a power to lay and levy taxes on the people by his own authority, and without such consent of the people, he thereby invades the fundamental law of property, and subverts the end of government. For what property have I in that which another may by right take when he pleases to himself?

Fourthly. The legislative cannot transfer the power of making laws to any other hands, for it being but a delegated power from the people, they who have it cannot pass it over to others. The people alone can appoint the form of the commonwealth, which is by constituting the legislative, and appointing in whose hands that shall be. And when the people have said, "We will submit, and be governed by laws made by such men, and in such forms," nobody else can say other men shall make laws for them; nor can they be bound by any laws but such as are enacted by those whom they have chosen and authorised to make laws for them.

These are the bounds which the trust that is put in them by the society and the law of God and Nature have set to the legislative power of every commonwealth, in all forms of government. First: They are to govern by promulgated established

laws, not to be varied in particular cases, but to have one rule for rich and poor, for the favourite at Court, and the countryman at plough. Secondly: These laws also ought to be designed for no other end ultimately but the good of the people. Thirdly: They must not raise taxes on the property of the people without the consent of the people given by themselves or their deputies. And this properly concerns only such governments where the legislative is always in being, or at least where the people have not reserved any part of the legislative to deputies, to be from time to time chosen by themselves. Fourthly: Legislative neither must nor can transfer the power of making laws to anybody else, or place it anywhere but where the people have.

Chapter XIX: Of the Dissolution of Government

He that will, with any clearness, speak of the dissolution of government, ought in the first place to distinguish between the dissolution of the society and the dissolution of the government. That which makes the community, and brings men out of the loose state of Nature into one politic society, is the agreement which every one has with the rest to incorporate and act as one body, and so be one distinct commonwealth. The usual, and almost only way whereby this union is dissolved, is the inroad of foreign force making a conquest upon them. For in that case (not being able to maintain and support themselves as one entire and independent body) the union belonging to that body, which consisted therein, must necessarily cease, and so every one return to the state he was in before, with a liberty to shift for himself and provide for his own safety, as he thinks fit, in some other society. Whenever the society is dissolved, it is certain the government of that society cannot remain. Thus conquerors' swords often cut up governments by the roots, and mangle societies to pieces, separating the subdued or scattered multitude from the protection of and dependence on that society which ought to have preserved them from violence. The world is too well instructed in, and too forward to allow of this way of dissolving of governments, to need any more to be said of it; and there wants not much argument to prove that where the society is dissolved, the government cannot remain; that being as impossible as for the frame of a house to subsist when the materials of it are scattered and displaced by a whirlwind, or jumbled into a confused heap by an earthquake.

Besides this overturning from without, governments are dissolved from within:

First. When the legislative is altered, civil society being a state of peace amongst those who are of it, from whom the state of war is excluded by the umpirage which they have provided in their legislative for the ending all differences that may arise amongst any of them; it is in their legislative that the members of a commonwealth are united and combined together into one coherent living body. This is the soul that gives form, life, and unity to the commonwealth; from hence the several members have their mutual influence, sympathy, and connection; and therefore when the legislative is broken, or dissolved, dissolution and death follows. For the essence and union of the society consisting in having one will, the legislative, when once established by the majority, has the declaring and, as it were, keeping of that will. The constitution of the legislative is the first and fundamental act of society, whereby provision is made for the continuation of their union under the direction of persons and bonds of laws, made by persons authorised thereunto, by the consent and appointment of the people, without which no one man, or number of men, amongst them can have authority of making laws that shall be binding to the rest. When any one, or more, shall take upon them to make laws whom the people have not appointed so to do, they make laws without authority, which the people are not therefore bound to obey; by which means they come again to be out of subjection, and may constitute to themselves a new legislative, as they think best, being in full liberty to resist the force of those who, without authority, would impose anything upon them. Every one is at the disposure of his own will, when those who had, by the delegation of the society, the declaring of the public will, are excluded from it, and others usurp the place who have no such authority or delegation.

This being usually brought about by such in the commonwealth, who misuse the power they have, it is hard to consider it aright, and know at whose door to lay it, without knowing the form of government in which it happens. Let us suppose, then, the legislative placed in the concurrence of three distinct persons:—First, a single hereditary person having the constant, supreme, executive power, and with it the power of convoking and dissolving the other two within certain periods of time. Secondly, an assembly of hereditary nobility. Thirdly, an assembly of representatives chosen, *pro tempore*, by the people. Such a form of government supposed, it is evident:

First, that when such a single person or prince sets up his own arbitrary will in place of the laws which are the will of the society declared by the

legislative, then the legislative is changed. For that being, in effect, the legislative whose rules and laws are put in execution, and required to be obeyed, when other laws are set up, and other rules pretended and enforced than what the legislative, constituted by the society, have enacted, it is plain that the legislative is changed. Whoever introduces new laws, not being thereunto authorised, by the fundamental appointment of the society, or subverts the old, disowns and overturns the power by which they were made, and so sets up a new legislative.

Secondly, when the prince hinders the legislative from assembling in its due time, or from acting freely, pursuant to those ends for which it was constituted, the legislative is altered. For it is not a certain number of men—no, nor their meeting, unless they have also freedom of debating and leisure of perfecting what is for the good of the society, wherein the legislative consists; when these are taken away, or altered, so as to deprive the society of the due exercise of their power, the legislative is truly altered. For it is not names that constitute governments, but the use and exercise of those powers that were intended to accompany them; so that he who takes away the freedom, or hinders the acting of the legislative in its due seasons, in effect takes away the legislative, and puts an end to the government.

Thirdly, when, by the arbitrary power of the prince, the electors or ways of election are altered without the consent and contrary to the common interest of the people, there also the legislative is altered. For if others than those whom the society hath authorised thereunto do choose, or in another way than what the society hath prescribed, those chosen are not the legislative appointed by the people.

Fourthly, the delivery also of the people into the subjection of a foreign power, either by the prince or by the legislative, is certainly a change of the legislative, and so a dissolution of the government. For the end why people entered into society being to be preserved one entire, free, independent society, to be governed by its own laws, this is lost whenever they are given up into the power of another.

Why, in such a constitution as this, the dissolution of the government in these cases is to be imputed to the prince is evident, because he, having the force, treasure, and offices of the State to employ, and often persuading himself or being flattered by others, that, as supreme magistrate, he is incapable of control; he alone is in a condition to make great advances towards such changes under pretence of lawful authority, and has it in his hands to terrify or suppress opposers as factious, seditious, and enemies to the government; whereas no other part of the legislative, or people, is capable by themselves to attempt any alteration of the legislative without open and visible rebellion, apt enough to be taken notice of, which, when it prevails, produces effects very little different from foreign conquest. Besides, the prince, in such a form of government, having the power of dissolving the others parts of the legislative, and thereby rendering them private persons, they can never, in opposition to him, or without his concurrence, alter the legislative by a law, his consent being necessary to give any of their decrees that sanction. But yet so far as the other parts of the legislative any way contribute to any attempt upon the government, and do either promote, or not, what lies in them, hinder such designs, they are guilty, and partake in this, which is certainly the greatest crime men can be guilty of one towards another.

There is one way more whereby such a government may be dissolved, and that is: When he who has the supreme executive power neglects and abandons that charge, so that the laws already made can no longer be put in execution; this is demonstratively to reduce all to anarchy, and so effectively to dissolve the government. For laws not being made for themselves, but to be, by their execution, the bonds of the society to keep every part of the body politic in its due place and function. When that totally ceases, the government visibly ceases, and the people become a confused multitude without order or connection. Where there is no longer the administration of justice for the securing of men's rights, nor any remaining power within the community to direct the force, or provide for the necessities of the public, there certainly is no government left. Where the laws cannot be executed it is all one as if there were no laws, and a government without laws is, I suppose, a mystery in politics inconceivable to human capacity, and inconsistent with human society.

In these, and the like cases, when the government is dissolved, the people are at liberty to provide for themselves by erecting a new legislative differing from the other by the change of persons, or form, or both, as they shall find it most for their safety and good. For the society can never, by the fault of another, lose the native and original right it has to preserve itself, which can only be done by a settled legislative and a fair and impartial execution of the laws made by it. But the state of mankind is not so miserable that they are not capable of using this remedy till it be too late to look for any. To tell people they may provide for

themselves by erecting a new legislative, when, by oppression, artifice, or being delivered over to a foreign power, their old one is gone, is only to tell them they may expect relief when it is too late, and the evil is past cure. This is, in effect, no more than to bid them first be slaves, and then to take care of their liberty, and, when their chains are on, tell them they may act like free men. This, if barely so, is rather mockery than relief, and men can never be secure from tyranny if there be no means to escape it till they are perfectly under it; and, therefore, it is that they have not only a right to get out of it, but to prevent it.

There is, therefore, secondly, another way whereby governments are dissolved, and that is, when the legislative, or the prince, either of them act contrary to their trust.

For the legislative acts against the trust reposed in them when they endeavour to invade the property of the subject, and to make themselves, or any part of the community, masters or arbitrary disposers of the lives, liberties, or fortunes of the people.

The reason why men enter into society is the preservation of their property; and the end while they choose and authorise a legislative is that there may be laws made, and rules set, as guards and fences to the properties of all the society, to limit the power and moderate the dominion of every part and member of the society. For since it can never be supposed to be the will of the society that the legislative should have a power to destroy that which every one designs to secure by entering into society, and for which the people submitted themselves to legislators of their own making: whenever the legislators endeavour to take away and destroy the property of the people, or to reduce them to slavery under arbitrary power, they put themselves into a state of war with the people, who are thereupon absolved from any farther obedience, and are left to the common refuge which God hath provided for all men against force and violence. Whensoever, therefore, the legislative shall transgress this fundamental rule of society, and either by ambition, fear, folly, or corruption, endeavour to grasp themselves, or put into the hands of any other, an absolute power over the lives, liberties, and estates of the people, by this breach of trust they forfeit the power the people had put into their hands for quite contrary ends, and it devolves to the people, who have a right to resume their original liberty, and by the establishment of a new legislative (such as they shall think fit), provide for their own safety and security, which is the end for which they are in society. What I have said here concerning the legislative in general holds true also concerning the supreme executor, who having a double trust put in him, both to have a part in the legislative and the supreme execution of the law, acts against both, when he goes about to set up his own arbitrary will as the law of the society. He acts also contrary to his trust when he employs the force, treasure, and offices of the society to corrupt the representatives and gain them to his purposes, when he openly pre-engages the electors, and prescribes, to their choice, such whom he has, by solicitation, threats, promises, or otherwise, won to his designs, and employs them to bring in such who have promised beforehand what to vote and what to enact. Thus to regulate candidates and electors, and new model the ways of election, what is it but to cut up the government by the roots, and poison the very fountain of public security? For the people having reserved to themselves the choice of their representatives as the fence to their properties, could do it for no other end but that they might always be freely chosen, and so chosen, freely act and advise as the necessity of the commonwealth and the public good should, upon examination and mature debate, be judged to require. This, those who give their votes before they hear the debate, and have weighed the reasons on all sides, are not capable of doing. To prepare such an assembly as this, and endeavour to set up the declared abettors of his own will, for the true representatives of the people, and the lawmakers of the society, is certainly as great a breach of trust, and as perfect a declaration of a design to subvert the government, as is possible to be met with. To which, if one shall add rewards and punishments visibly employed to the same end, and all the arts of perverted law made use of to take off and destroy all that stand in the way of such a design, and will not comply and consent to betray the liberties of their country, it will be past doubt what is doing. What power they ought to have in the society who thus employ it contrary to the trust went along with it in its first institution, is easy to determine; and one cannot but see that he who has once attempted any such thing as this cannot any longer be trusted. . . .

Here it is like the common question will be made: Who shall be judge whether the prince or legislative act contrary to their trust? This, perhaps, ill-affected and factious men may spread amongst the people, when the prince only makes use of his due prerogative. To this I reply, The people shall be judge; for who shall be judge whether his trustee or deputy acts well and according to the trust reposed in him, but he who

deputes him and must, by having deputed him, have still a power to discard him when he fails in his trust? If this be reasonable in particular cases of private men, why should it be otherwise in that of the greatest moment, where the welfare of millions is concerned and also where the evil, if not prevented, is greater, and the redress very difficult, dear, and dangerous?

But, farther, this question, Who shall be judge? cannot mean that there is no judge at all. For where there is no judicature on earth to decide controversies amongst men, God in heaven is judge. He alone, it is true, is judge of the right. But every man is judge for himself, as in all other cases so in this, whether another hath put himself into a state of war with him, and whether he should appeal to the supreme Judge, as Jephtha did.

If a controversy arise betwixt a prince and some of the people in a matter where the law is silent or doubtful, and the thing be of great consequence, I should think the proper umpire in such a case should be the body of the people. For in such cases where the prince hath a trust reposed in him, and is dispensed from the common, ordinary rules of the law, there, if any men find themselves aggrieved, and think the prince acts contrary to, or beyond that trust, who so proper to judge as the body of the people (who at first lodged that trust in him) how far they meant it should extend? But if the prince, or whoever they be in the administration, decline that way of determination, the appeal then lies nowhere but to Heaven. Force between either persons who have no known superior on earth, or which permits no appeal to a judge on earth, being properly a state of war, wherein the appeal lies only to Heaven; and in that state the injured party must judge for himself when he will think fit to make use of that appeal and put himself upon it.

To conclude. The power that every individual gave the society when he entered into it can never revert to the individuals again, as long as the society lasts, but will always remain in the community; because without this there can be no community—no commonwealth, which is contrary to the original agreement; so also when the society hath placed the legislative in any assembly of men, to continue in them and their successors, with direction and authority for providing such successors, the legislative can never revert to the people whilst that government lasts; because, having provided a legislative with power to continue for ever, they have given up their political power to the legislative, and cannot resume it. But if they have set limits to the duration of their legislative, and made this supreme power in any person or assembly only temporary; or else when, by the miscarriages of those in authority, it is forfeited; upon the forfeiture of their rulers, or at the determination of the time set, it reverts to the society, and the people have a right to act as supreme, and continue the legislative in themselves or place it in a new form, or new hands, as they think good.

THE SETTLEMENT OF AMERICA

VIRGINIA

OUT OF THE MASS of restless and frequently unhappy men and women—dispossessed copyholders, ambitious small merchants and landlords, apprentices, sailors, craftsmen and soldiers—came most of the colonists who reached Virginia and there established England's first permanent settlement on the North American mainland. The Virginia Company of London, which financed that settlement, was chartered in 1606 by James I and given the right to trade and colonize in the unknown country that Walter Raleigh had named for Queen Elizabeth. Among the leaders of the venture was Captain John Smith (1580–1631). Smith was born into one of those yeoman families among which Brooks Adams found England's empire builders. Smith went off to the Flanders wars, fought in the armies of Sigismund Bathori and, by his own account, was captured by the Turks and freed because his purchaser's chief wife interceded for him. Whether John Smith spoke the truth or was only a masterful liar, he returned to England in 1605, won the confidence of the Virginia Company's backers, enlisted in the expedition and was named one of the colony's directors in the secret sailing orders. The story of Captain John Smith's struggles to keep his gentlemen at work, his quarrels and his return to England after his victory are better known than his efforts to enlist general interest in "the New World which is Virginia."

In 1612, Smith wrote of the land he had first seen five years before. There is the excitement of discovery in Smith's story. For the first time, one reads an Englishman's account of the variable and thunderous American climate, of the acridity of a green persimmon and the deer "differing nothing from ours." There may be mines in Virginia, but we had no skilled men to make sure, Smith says, and he goes on to tell how the forest was felled and the first crop of corn put in. He describes the Indians, few in number to have the use of so much fine land, strong men, crafty, able and covetous of cheap goods. The country over which they hunt is a pleasant land, fertile, well watered and potentially a good source of the iron, potash, and flax for which England now spends treasure in Russia, Poland, and Sweden.

Two years after Smith published his description of Virginia, he returned to explore the New England coast. It is to him that the map owes the names of Plymouth and Cape Cod. Smith's next efforts at voyaging were not fortunate. Weather and illness thwarted his attempt to sail in 1615 and, later, in 1617. The last fifteen years of his life were given to projects and writing, much of it concerning Virginia and, among that, the story of Powhatan's daughter, Pocahontas.

The selection is from J. Franklin Jameson, ed., *Original Narratives of American History*, Vol. V (New York, 1907).

Description of Virginia

BY JOHN SMITH

VIRGINIA is a Country in America, that lyeth betweene the degrees of 34 and 44 of the north latitude. The bounds thereof on the East side are the great *Ocean*. On the South lyeth Florida: on the North nova Francia. As for the West thereof, the limits are unknowne. Of all this country wee

purpose not to speake, but only of that part which was planted by the English men in the yeare of our Lord, 1606. And this is under the degrees 37. 38. and 39. The temperature of this countrie doth agree well with English constitutions being once seasoned to the country. Which appeared by this, that though by many occasions our people fell sicke; yet did they recover by very small meanes and continued in health, though there were other great causes, not only to have made them sicke, but even to end their daies, etc.

The sommer is hot as in Spaine; the winter colde as in Fraunce or England. The heat of sommer is in June, Julie, and August, but commonly the coole Breeses asswage the vehemencie of the heat. The chiefe of winter is halfe December, January, February, and halfe March. The colde is extreame sharpe, but here the proverbe is true that no extreame long continueth.

In the yeare 1607. was an extraordinary frost in most of Europe, and this frost was founde as extreame in Virginia. But the next yeare for 8. or 10. daies of ill weather, other 14 daies would be as Sommer.

The windes here are variable, but the like thunder and lightning to purifie the aire, I have seldome either seene or heard in Europe. From the Southwest came the greatest gustes with thunder and heat. The Northwest winde is commonly coole, and bringeth faire weather with it. From the Northe is the greatest cold, and from the East and South-East as from the Barmadas, fogs and raines.

Some times there are great droughts, other times much raine, yet great necessity of neither, by reason we see not but that all the variety of needfull fruits in Europe may be there in great plenty by the industry of men, as appeareth by those we there planted.

There is but one entraunce by sea into this country, and that is at the mouth of a very goodly Bay, the widenesse whereof is neare 18. or 20. miles. The cape on the South side is called Cape Henry in honour of our most noble Prince. The shew of the land there, is a white hilly sand like unto the Downes, and along the shores great plentie of Pines and Firres.

The north Cape is called Cape Charles in honour of the worthy Duke of Yorke. Within is a country that may have the prerogative over the most pleasant places of Europe, Asia, Africa, or America, for large and pleasant navigable rivers: heaven and earth never agreed better to frame a place for mans habitation being of our constitutions, were it fully manured and inhabited by industrious people. Here are mountaines, hils, plaines, valleyes, rivers and brookes all running most pleasantly into a faire Bay compassed but for the mouth with fruitfull and delightsome land. In the Bay and rivers are many Isles both great and small, some woody, some plaine, most of them low and not inhabited. This Bay lieth North and South in which the water floweth neare 200 miles and hath a channell for 140 miles, of depth betwixt 7 and 15 fadome, holding in breadth for the most part 10 or 14 miles. From the head of the Bay at the north, the land is mountanous, and so in a manner from thence by a Southwest line; So that the more Southward, the farther of[f] from the Bay are those mounetaines. From which, fall certaine brookes, which after come to five principall navigable rivers. These run from the Northwest into the South east, and so into the west side of the Bay, where the fall of every River is within 20 or 15 miles one of an other.

The mountaines are of diverse natures, for at the head of the Bay the rockes are of a composition like miln-stones. Some of marble, &c. And many peeces of christall we found as throwne downe by water from the mountaines. For in winter these mountaines are covered with much snow, and when it dissolveth the waters fall with such violence, that it causeth great inundations in the narrow valleyes which yet is scarce perceived being once in the rivers. These waters wash from the rocks such glistering tinctures that the ground in some places seemeth as guilded, where both the rocks and the earth are so splendent to behold, that better judgements then ours might have beene perswaded, they contained more than probabilities. The vesture of the earth in most places doeth manifestly prove the nature of the soile to be lusty and very rich. The coulor of the earth we found in diverse places, resembleth *bole Armoniac*, *terra sigillata ad lemnia*, Fullers earth, marle, and divers other such appearances. But generally for the most part the earth is a black sandy mould, in some places a fat slimy clay, in other places a very barren gravell. But the best ground is knowne by the vesture it beareth, as by the greatnesse of trees or abundance of weedes, &c.

The country is not mountanous nor yet low but such pleasant plaine hils and fertle valleyes, one prettily crossing an other, and watered so conveniently with their sweete brookes and christall springs, as if art it selfe had devised them. By the rivers are many plaine marishes containing some 20, some 100, some 200 Acres, some more, some lesse. Other plaines there are fewe, but only where the Savages inhabit: but all overgrowne with trees and weedes being a plaine wildernes as God first made it. . . .

Of such things which are naturall in Virginia and how they use them.—Virginia doth afford many excellent vegitables and living Creatures, yet grasse there is little or none but what groweth in lowe Marishes: for all the Countrey is overgrowne with trees, whose droppings continually turneth their grasse to weedes, by reason of the rancknesse of the ground; which would soone be amended by good husbandry. The wood that is most common is Oke and Walnut: many of their Okes are so tall and straight, that they will beare two foote and a halfe square of good timber for 20 yards long. Of this wood there is 2 or 3 severall kinds. The Acornes of one kind, whose barke is more white then the other, is somewhat sweetish; which being boyled halfe a day in severall waters, at last afford a sweete oyle, which they keep in goards to annoint their heads and joints. The fruit they eate, made in bread or otherwise. There is also some Elme, some black walnut tree, and some Ash: of Ash and Elme they make sope Ashes. If the trees be very great, the ashes will be good, and melt to hard lumps: but if they be small, it will be but powder, and not so good as the other. Of walnuts there is 2 or 3 kindes: there is a kinde of wood we called Cypres, because both the wood, the fruit, and leafe did most resemble it; and of those trees there are some neere 3 fadome about at the root, very straight, and 50, 60, or 80 foot without a braunch. By the dwelling of the Savages are some great Mulbery trees; and in some parts of the Countrey, they are found growing naturally in prettie groves. There was an assay made to make silke, and surely the wormes prospered excellent well, till the master workeman fell sicke: during which time, they were eaten with rats.

In some parts, were found some Chesnuts whose wild fruit equalize the best in France, Spaine, Germany, or Italy, to their tasts that had tasted them all. Plumbs there are of 3 sorts. The red and white are like our hedge plumbs: but the other, which they call *Putchamins*, grow as high as a Palmeta. The fruit is like a medler; it is first greene, then yellow, and red when it is ripe: if it be not ripe it will drawe a mans mouth awrie with much torment; but when it is ripe, it is as delicious as an Apricock.

They have Cherries, and those are much like a Damsen; but for their tastes and colour, we called them Cherries. We see some few Crabs, but very small and bitter. Of vines, great abundance in many parts, that climbe the toppes of the highest trees in some places, but these beare but fewe grapes. But by the rivers and Savage habitations where they are not overshadowed from the sunne, they are covered with fruit, though never pruined nor manured. Of those hedge grapes, wee made neere 20 gallons of wine, which was neare as good as your French Brittish wine, but certainely they would prove good were they well manured. There is another sort of grape neere as great as a Cheery, this they call *Messamimes;* they bee fatte, and the juyce thicke: neither doth the tast so well please when they are made in wine. They have a small fruit growing on little trees, husked like a Chesnut, but the fruit most like a very small acorne. This they call *Chechinquamins*, which they esteeme a great daintie. They have a berry much like our gooseberry, in greatnesse, colour, and tast; those they call *Rawcomenes*, and doe eat them raw or boyled. Of these naturall fruits they live a great part of the yeare, which they use in this manner. The walnuts, Chesnuts, Acornes, and *Chechinquamens* are dryed to keepe. When they need them, they breake them betweene two stones, yet some part of the walnut shels will cleave to the fruit. Then doe they dry them againe upon a mat over a hurdle. After, they put it into a morter of wood, and beat it very small: that done, they mix it with water, that the shels may sinke to the bottome. This water will be coloured as milke; which they cal *Pawcohiscora*, and keepe it for their use. The fruit like medlers, they call *Putchamins*, they cast uppon hurdles on a mat, and preserve them as Pruines. Of their Chesnuts and *Chechinquamens* boyled 4 houres, they make both broath and bread for their chiefe men, or at their greatest feasts. Besides those fruit trees, there is a white populer, and another tree like unto it, that yeeldeth a very cleere and an odoriferous Gumme like Turpentine, which some called Balsom. There are also Cedars and Saxafras trees. They also yeeld gummes in a small proportion of themselves. Wee tryed conclusions to extract it out of the wood, but nature afforded more then our arts.

In the watry valleyes groweth a berry, which they call *Ocoughtanammis*, very much like unto Capers. These they dry in sommer. When they will eat them, they boile them neare halfe a day; for otherwise they differ not much from poyson. *Mattoume* groweth as our bents do in meddows. The seede is not much unlike to rie, though much smaller. This they use for a dainty bread buttered with deare suet.

During Somer there are either strawberries which ripen in April; or mulberries which ripen in May and June, Raspises, hurtes, or a fruit that the Inhabitants call *Maracocks*, which is a pleasant wholsome fruit much like a lemond. Many hearbes in the spring time there are commonly dispersed throughout the woods, good for brothes

and sallets, as Violets, Purslin, Sorrell, &c. Besides many we used whose names we know not.

The chiefe roote they have for foode is called *Tockawhoughe*. It groweth like a flagge in low muddy freshes. In one day a Savage will gather sufficient for a weeke. These rootes are much of the greatnes and taste of Potatoes. They use to cover a great many of them with oke leaves and ferne, and then cover all with earth in the manner of a colepit; over it, on each side, they continue a great fire 24 houres before they dare eat it. Raw it is no better then poison, and being roasted, except it be tender and the heat abated, or sliced and dried in the sun, mixed with sorrell and meale or such like, it will prickle and torment the throat extreamely, and yet in sommer they use this ordinarily for bread.

They have an other roote which they call *wighsacan:* as thother feedeth the body, so this cureth their hurts and diseases. It is a small root which they bruise and apply to the wound. *Pocones* is a small roote that groweth in the mountaines, which being dryed and beate in powder turneth red: and this they use for swellings, aches, annointing their joints, painting their heads and garments. They account it very pretious and of much worth. *Musquaspemne* is a roote of the bignesse of a finger, and as red as bloud. In drying, it will wither almost to nothing. This they use to paint their Mattes, Targets, and such like.

There is also Pellitory of Spaine, Sasafrage, and divers other simples, which the Apothecaries gathered, and commended to be good and medicinable.

In the low Marshes, growe plots of Onyons containing an acre of ground or more in many places; but they are small, not past the bignesse of the Toppe of ones Thumbe.

Of beastes the chief are Deare, nothing differing from ours. In the deserts towards the heads of the rivers, ther are many, but amongst the rivers few. There is a beast they call *Aroughcun*, much like a badger, but useth to live on trees as Squirrels doe. Their Squirrels some are neare as greate as our smallest sort of wilde rabbits; some blackish or blacke and white, but the most are gray.

A small beast they have, they call *Assapanick*, but we call them flying squirrels, because spreading their legs, and so stretching the largenesse of their skins that they have bin seene to fly 30 or 40 yards. An *Opassom* hath an head like a Swine, and a taile like a Rat, and is of the bignes of a Cat. Under her belly shee hath a bagge, wherein shee lodgeth, carrieth, and sucketh her young. *Mussascus* is a beast of the forme and nature of our water Rats, but many of them smell exceeding strongly of muske. Their Hares no bigger then our Conies, and few of them to be found.

Their Beares are very little in comparison of those of Muscovia and Tartaria. The Beaver is as bigge as an ordinary water dogge, but his legges exceeding short. His fore feete like a dogs, his hinder feet like a Swans. His taile somewhat like the forme of a Racket bare without haire; which to eate, the Savages esteeme a great delicate. They have many Otters, which, as the Beavers, they take with snares, and esteeme the skinnes great ornaments; and of all those beasts they use to feede, when they catch them.

There is also a beast they call *Vetchunquoyes* in the forme of a wilde Cat. Their Foxes are like our silver haired Conies, of a small proportion, and not smelling like those in England. Their Dogges of that country are like their Wolves, and cannot barke but howle; and their wolves not much bigger then our English Foxes. Martins, Powlecats, weessels and Minkes we know they have, because we have seen many of their skinnes, though very seldome any of them alive. But one thing is strange, that we could never perceive their vermine destroy our hennes, egges, nor chickens, nor do any hurt: nor their flyes nor serpents anie waie pernitious; where in the South parts of America, they are alwaies dangerous and often deadly.

Of birds, the Eagle is the greatest devourer. Hawkes there be of diverse sorts as our Falconers called them, Sparowhawkes, Lanarets, Goshawkes, Falcons and Osperayes; but they all pray most upon fish. Pattridges there are little bigger then our Quailes, wilde Turkies are as bigge as our tame. There are woosels or blackbirds with red shoulders, thrushes, and diverse sorts of small birds, some red, some blew, scarce so bigge as a wrenne, but few in Sommer. In winter there are great plenty of Swans, Craynes gray and white with blacke wings, Herons, Geese, Brants, Ducke, Wigeon, Dotterell, Oxeies, Parrats, and Pigeons. Of all those sorts great abundance, and some other strange kinds, to us unknowne by name. But in sommer not any, or a very few to be seene.

Of fish we were best acquainted with Sturgeon, Grampus, Porpus, Seales, Stingraies whose tailes are very dangerous, Brettes, mullets, white Salmonds, Trowts, Soles, Plaice, Herrings, Conyfish, Rockfish, Eeles, Lampreyes, Catfish, Shades, Pearch of 3 sorts, Crabs, Shrimps, Crevises, Oysters, Cocles, and Muscles. But the most strange fish is a smal one so like the picture of S. George his Dragon, as possible can be, except his legs and wings: and the Todefish which will swell till it be like to brust, when it commeth into the aire.

Concerning the entrailes of the earth little can be saide for certainty. There wanted good Refiners: for these that tooke upon them to have skill this way, tooke up the washings from the mounetaines and some moskered shining stones and spangles which the waters brought down; flattering themselves in their own vaine conceits to have been supposed that they were not, by the meanes of that ore, if it proved as their arts and judgements expected. Only this is certaine, that many regions lying in the same latitude, afford mines very rich of diverse natures. The crust also of these rockes would easily perswade a man to beleeve there are other mines then yron and steele, if there were but meanes and men of experience that knew the mine from spare.

Of their Planted fruits in Virginia and how they use them.—They divide the yeare into 5. seasons. Their winter some call *Popanow*, the spring *Cattapeuk*, the sommer *Cohattayough*, the earing of their Corne *Nepinough*, the harvest and fall of leafe *Taquitock*. From September untill the midst of November are the chiefe Feasts and sacrifice. Then have they plenty of fruits as well planted as naturall, as corne greene and ripe, fish, fowle, and wild beastes exceeding fat.

The greatest labour they take, is in planting their corne, for the country naturally is overgrowne with wood. To prepare the ground they bruise the barke of the trees neare the roote, then do they scortch the roots with fire that they grow no more. The next yeare with a crooked peece of wood, they beat up the woodes by the rootes; and in that moulds, they plant their corne. Their manner is this. They make a hole in the earth with a sticke, and into it they put 4 graines of wheat and 2 of beanes. These holes they make 4 foote one from another. Their women and children do continually keepe it with weeding, and when it is growne midle high, they hill it about like a hopyard.

In Aprill they begin to plant, but their chiefe plantation is in May, and so they continue till the midst of June. What they plant in Aprill they reape in August, for May in September, for June in October. Every stalke of their corne commonly beareth two eares, some 3, seldome any 4, many but one, and some none. Every eare ordinarily hath betwixt 200 and 500 graines. The stalke being green hath a sweet juice in it, somewhat like a suger Cane, which is the cause that when they gather their corne greene, they sucke the stalkes: for as wee gather greene pease, so doe they their corne being greene, which excelleth their old. They plant also pease they cal *Assentamens*, which are the same they cal in Italye, *Fagioli*. Their Beanes are the same the Turkes call *Garnanses*, but these they much esteeme for dainties.

Their corne they rost in the eare greene, and bruising it in a morter with a Polt, lappe it in rowles in the leaves of their corne, and so boyle it for a daintie. They also reserve that corne late planted that will not ripe, by roasting it in hot ashes, the heat thereof drying it. In winter they esteeme it being boyled with beans for a rare dish, they call *Pausarowmena*. Their old wheat they first steep a night in hot water, in the morning pounding it in a morter. They use a small basket for their Temmes, then pound againe the great, and so separating by dashing their hand in the basket, receave the flower in a platter made of wood scraped to that forme with burning and shels. Tempering this flower with water, they make it either in cakes, covering them with ashes till they bee baked, and then washing them in faire water, they drie presently with their owne heat: or else boyle them in water eating the broth with the bread which they call *Ponap*. The grouts and peeces of the cornes remaining, by fanning in a Platter or in the wind away the branne, they boile 3 or 4 houres with water; which is an ordinary food they call *Ustatahamen*. But some more thrifty then cleanly, doe burne the core of the eare to powder which they call *Pungnough*, mingling that in their meale; but it never tasted well in bread, nor broth. Their fish and flesh they boyle either very tenderly, or broyle it so long on hurdles over the fire; or else, after the Spanish fashion, putting it on a spit, they turne first the one side, then the other, til it be as drie as their jerkin beefe in the west Indies, that they may keepe it a month or more without putrifying. The broth of fish or flesh they eate as commonly as the meat.

In May also amongst their corne, they plant Pumpeons, and a fruit like unto a muske millen, but lesse and worse; which they call *Macocks*. These increase exceedingly, and ripen in the beginning of July, and continue until September. They plant also *Maracocks* a wild fruit like a lemmon, which also increase infinitely: they begin to ripe in September and continue till the end of October. When all their fruits be gathered, little els they plant, and this is done by their women and children; neither doth this long suffice them: for neere 3 parts of the yeare, they only observe times and seasons, and live of what the Country naturally affordeth from hand to mouth, &c.

The commodities in Virginia or that may be had by industrie.—The mildnesse of the aire, the fertilitie of the soile, and the situation of the rivers are so propitious to the nature and use of man as

no place is more convenient for pleasure, profit, and mans sustenance. Under that latitude or climat, here will live any beasts, as horses, goats, sheep, asses, hens, &c. as appeared by them that were carried thither. The waters, Isles, and shoales, are full of safe harbours for ships of warre or marchandize, for boats of all sortes, for transportation or fishing, &c. The Bay and rivers have much marchandable fish and places fit for Salt coats, building of ships, making of iron, &c.

Muscovia and Polonia doe yearely receave many thousands, for pitch, tarre, sope ashes, Rosen, Flax, Cordage, Sturgeon, masts, yards, wainscot, Firres, glasse, and such like; also Swethland for iron and copper. France in like manner, for Wine, Canvas, and Salt, Spaine asmuch for Iron, Steele, Figges, Reasons, and Sackes. Italy with Silkes and Velvets, consumes our chiefe commodities. Holand maintaines it selfe by fishing and trading at our owne doores. All these temporize with other for necessities, but all as uncertaine as peace or warres: besides the charge, travell, and danger in transporting them, by seas, lands, stormes, and Pyrats. Then how much hath Virginia the prerogative of all those florishing kingdomes for the benefit of our land, whenas within one hundred miles all those are to bee had, either ready provided by nature, or else to bee prepared, were there but industrious men to labour. Only of Copper wee may doubt is wanting, but there is good probabilitie that both copper and better munerals are there to be had for their labor. Other Countries have it. So then here is a place a nurse for souldiers, a practise for marriners, a trade for marchants, a reward for the good, and that which is most of all, a businesse (most acceptable to God) to bring such poore infidels to the true knowledge of God and his holy Gospell.

Of the naturall Inhabitants of Virginia.—The land is not populous, for the men be fewe; their far greater number is of women and children. Within 60 miles of James Towne there are about some 5000 people, but of able men fit for their warres scarse 1500. To nourish so many together they have yet no means, because they make so smal a benefit of their land, be it never so fertill. 6 or 700 have beene the most [that] hath beene seene together, when they gathered themselves to have surprised Captaine Smyth at Pamaunke, having but 15 to withstand the worst of their furie. As small as the proportion of ground that hath yet beene discovered, is in comparison of that yet unknowne. The people differ very much in stature, especially in language, as before is expressed. Some being very great as the Sesquesahamocks, others very little as the Wighcocomocoes: but generally tall and straight, of a comely proportion, and of a colour browne, when they are of any age, but they are borne white. Their haire is generally black; but few have any beards. The men weare halfe their heads shaven, the other halfe long. For Barbers they use their women, who with 2 shels will grate away the haire, of any fashion they please. The women are cut in many fashions agreeable to their yeares, but ever some part remaineth long. They are very strong, of an able body and full of agilitie, able to endure to lie in the woods under a tree by the fire, in the worst of winter, or in the weedes and grasse, in Ambuscado in the Sommer. They are inconstant in everie thing, but what feare constraineth them to keepe. Craftie, timerous, quicke of apprehension and very ingenuous. Some are of disposition fearefull, some bold, most cautelous, all Savage. Generally covetous of copper, beads, and such like trash. They are soone moved to anger, and so malitious, that they seldome forget an injury: they seldome steale one from another, least their conjurors should reveale it, and so they be pursued and punished. That they are thus feared is certaine, but that any can reveale their offences by conjuration I am doubtfull. Their women are carefull not to bee suspected of dishonesty without the leave of their husbands. Each houshold knoweth their owne lands and gardens, and most live of their owne labours. For their apparell, they are some time covered with the skinnes of wilde beasts, which in winter are dressed with the haire, but in sommer without. The better sort use large mantels of deare skins not much differing in fashion from the Irish mantels. Some imbrodered with white beads, some with copper, other painted after their manner. But the common sort have scarce to cover their nakednesse but with grasse, the leaves of trees, or such like. We have seen some use mantels made of Turky feathers, so prettily wrought and woven with threeds that nothing could bee discerned but the feathers, that was exceeding warme and very handsome. But the women are alwaies covered about their midles with a skin and very shamefast to be seene bare. They adorne themselves most with copper beads and paintings. Their women some have their legs, hands, brests and face cunningly imbrodered with diverse workes, as beasts, serpentes, artificially wrought into their flesh with blacke spots. In each eare commonly they have 3 great holes, whereat they hange chaines, bracelets, or copper. Some of their men weare in those holes, a smal greene and yellow coloured snake, neare halfe a yard in length, which crawling and lapping her selfe about his necke often times fa-

miliarly would kiss his lips. Others wear a dead Rat tied by the tail. Some on their heads weare the wing of a bird or some large feather, with a Rattell. Those Rattels are somewhat like the chape of a Rapier but lesse, which they take from the taile of a snake. Many have the whole skinne of a hawke or some strange fowle, stuffed with the wings abroad. Others a broad peece of copper, and some the hand of their enemy dryed. Their heads and shoulders are painted red with the roote *Pocone* braied to powder mixed with oyle; this they hold in somer to preserve them from the heate, and in winter from the cold. Many other formes of paintings they use, but he is the most gallant that is the most monstrous to behould.

Their buildings and habitations are for the most part by the rivers or not farre distant from some fresh spring. Their houses are built like our Arbors of small young springs bowed and tyed, and so close covered with mats or the barkes of trees very handsomely, that notwithstanding either winde raine or weather, they are as warme as stooves, but very smoaky, yet at the toppe of the house there is a hole made for the smoake to goe into right over the fire.

Against the fire they lie on little hurdles of Reedes covered with a mat, borne from the ground a foote and more by a hurdle of wood. On these round about the house, they lie heads and points one by thother against the fire: some covered with mats, some with skins, and some starke naked lie on the ground, from 6 to 20 in a house. Their houses are in the midst of their fields or gardens; which are smal plots of ground, some 20, some 40, some 100. some 200. some more, some lesse. Some times from 2 to 100 of these houses togither, or but a little separated by groves of trees. Neare their habitations is little small wood, or old trees on the ground, by reason of their burning of them for fire. So that a man may gallop a horse amongst these woods any waie, but where the creekes or Rivers shall hinder.

Men women and children have their severall names according to the severall humor of their Parents. Their women (they say) are easilie delivered of childe, yet doe they love children verie dearly. To make them hardy, in the coldest mornings they wash them in the rivers, and by painting and ointments so tanne their skins, that after year or two, no weather will hurt them.

The men bestowe their times in fishing, hunting, wars, and such manlike exercises, scorning to be seene in any woman like exercise, which is the cause that the women be verie painefull and the men often idle. The women and children do the rest of the worke. They make mats, baskets, pots, morters, pound their corne, make their bread, prepare their victuals, plant their corne, gather their corne, beare al kind of burdens, and such like. . . .

PENNSYLVANIA

THE LONDON COMPANY of Virginia relinquished its charter before many years were gone, though the colony John Smith had helped it found finally did come to flourish. And despite the extensive boundaries of Virginia, other colonies grew up to the northward. Charles II paid a debt with a portion of that northern land, and his creditor founded a prospering colony when he established Pennsylvania in 1681. By 1698, Gabriel Thomas was enlarging on that prosperity in a pamphlet which was translated into German four years later and which may have been one of those "lying reports" which helped draw Palatine Germans from their harried country. Thomas (1661–1714) came of Welsh yeoman stock. His father had been jailed for his Quaker faith and Thomas himself was one of the first immigrants to Pennsylvania. He returned to England in 1697 to see his book through the press. A few years later, he was bringing suit against Penn for failing to give him an office in the Delaware counties in return for the work which had been so effective in attracting immigrants to Pennsylvania. When Thomas lost his suit, he returned to the colony where he spent his last years in separation from the Quaker community.

If Thomas actually did write his book as bait to win settlers for Pennsylvania, his text is well calculated to that end. He had spent years in the country, he makes clear, watched it grow, witnessed its controversies, rejoiced at its progress. Thomas was inquisitive, as a reporter should be, and apparently a sound trencherman: no man indifferent to his food would

spend so much ink on the savor of Chesapeake ducks, the relish of "saladings" and the composition of a tuppenny cheesecake.

Like Captain Smith, Thomas is interested in the Indians, though his preoccupation is more genuinely curious; he is concerned with the odd customs of this people rather than with their possible hindrance to the increase of empire. Similarly, though Thomas is as eager as Smith to have England appreciate the value of the new land, his interest is more in Franklin's vein than in the captain's. Thomas talks of the promise which Pennsylvania holds out to the immigrant rather than of the ways in which the colony could serve to advance the parent state. By the end of the seventeenth century, colonies were a fact, not merely a potential advantage to England, and Thomas could expatiate on the concerns of the individual instead of the interests of the commonwealth.

Wages are high, Thomas reports; provisions are good and cheap. Yet the farmer gets high prices and though he pays his hands well, he has his land at small cost, unburdened by tithes and afflicted with few taxes. The merchant can thrive, too, for Pennsylvania trades with Madeira, England, and the West Indies, as well as with the other colonies; she builds fair ships and is equipped with "curious wharfs." Workman, farmer, merchant; men who seek freedom of worship and women in want of husbands all will find their heart's desire in Pennsylvania.

Thomas' pamphlet was published as *An Historical and Geographical Account of the Province and Country of Pensilvania, in America* . . . (London, 1698).

An Account of Pensilvania

BY GABRIEL THOMAS

PENSILVANIA lies between the Latitude of Forty and Forty five Degrees: *West-Jersey* on the East, *Virginia* on the West, *Mary-Land* South, and *Canada* on the North. In Length three hundred, and in Breadth one hundred and eighty miles.

The Natives, or first Inhabitants of this Country in their Original, are suppos'd by most People to have been of the Ten Scattered Tribes, for they resemble the *Jews* very much in the *Make* of their *Persons*, and *Tincture* of their *Complexions:* They observe New *Moons*, they offer their *first Fruits* to a *Maneto*, or suppos'd Deity, whereof they have two, one, as they fansie, above (good,) another below (bad,) and have a kind of *Feast* of *Tabernacles*, laying their *Altars* upon *Twelve Stones*, observe a sort of *Mourning* twelve Months, *Customs of Women*, and many other *Rites* to be toucht (here) rather than dwelt upon, because they shall be handled more at large at the latter end of this Treatise.

They are very Charitable to one another, the Lame and the Blind (amongst them) living as well as the best; they are also very kind and obliging to the *Christians*.

The next that came there, were the *Dutch*, (who call'd the Country *New Netherland*) between Fifty and Sixty Years ago, and were the first *Planters* in those Parts; but they made little or no Improvement, (applying themselves wholly to Trafique in Skins and Furs, which the *Indians* or *Natives* furnish'd them with, and which they Barter'd for Rum, Strong Liquors, and Sugar, with others, thereby gaining great Profit) till near the time of the Wars between *England* and *Them*, about Thirty or Forty Years ago.

Soon after them came the *Swedes* and *Fins*, who apply'd themselves to Husbandry, and were the first *Christian* People that made any considerable Improvement there.

There were some Disputes between these two Nations some Years, the *Dutch* looking upon the *Swedes* as Intruders upon their Purchase and Possession, which was absolutely terminated in the Surrender made by *John Rizeing*, the *Swedes* Governour, to *Peter Styreant*, Governour for the *Dutch*, in 1655. In the *Holland* War about the Year 1665, Sir *Robert Carr* took the Country from the *Dutch* for the *English*, and left his Cousin, Captain *Carr*, Governour of that place; but in a short time after, the *Dutch* re-took the Country from the *English*, and kept it in their Possession till the Peace was concluded between the *English* and them, when the *Dutch* Surrendered that *Country* with *East* and *West-Jersey*, *New York*, (with the whole Countries belonging to that Government) to the *English* again. But it remain'd with very

little Improvement till the Year 1681, in which *William Penn* Esq; had the Country given him by King *Charles* the *Second*, in lieu of Money that was due to (and signal Service done by) his Father, Sir *William Penn*, and from him bore the Name of *Pensilvania*.

Since that time, the Industrious (nay Indefatigable) Inhabitants have built a *Noble* and *Beautiful* City, and called it *Philadelphia*, which contains above two thousand Houses, all Inhabited; and most of them Stately, and of Brick, generally three Stories high, after the Mode in *London*, and as many several Families in each. . . .

It hath in it Three *Fairs* every Year, and Two *Markets* every Week. They kill above Twenty *Fat Bullocks* every Week, in the hottest time in Summer, for their present spending in that City, besides many *Sheep*, *Calves* and *Hogs*.

This City is Situated between *Schoolkill-River* and the great River *Delaware*, which derives its Name from Captain *Delaware*, who came there pretty early: Ships of Two or Three Hundred Tuns may come up to this City, by either of these two Rivers. Moreover, in this Province are Four Great *Market-Towns*, viz, *Chester*, the *German Town*, *New-Castle*, and *Lewis-Town*, which are mightily Enlarged in this latter Improvement. Between these Towns, the Water-Men constantly Ply their *Wherries;* likewise all those Towns have *Fairs* kept in them, besides there are several Country Villages, *viz. Dublin*, *Harford*, *Merioneth*, and *Radnor* in *Cambry;* all which *Towns*, *Villages* and *Rivers*, took their Names from the several *Countries* whence the present Inhabitants came.

The *Air* here is very delicate, pleasant, and wholesom; the *Heavens* serene, rarely overcast, bearing mighty resemblance to the better part of *France;* after Rain they have commonly a very clear Sky, the Climate is something Colder in the depth of Winter, and Hotter in the height of Summer; (the cause of which is its, being a Main Land or Continent; the Days also are two Hours longer in the shortest Day in Winter, and shorter by two Hours in the longest Day of Summer) than here in *England*, which makes the Fruit so good, and the Earth so fertil.

The Corn-Harvest is ended before the middle of *July*, and most Years they have commonly between Twenty and Thirty Bushels of Wheat for every one they Sow. Their Ground is harrowed with Wooden Tyned Harrows, twice over in a place is sufficient; twice mending of their Plow-Irons in a Years time will serve. Their Horses commonly go without being shod; two Men may clear between Twenty and Thirty Acres of Land in one Year, fit for the Plough, in which Oxen are chiefly us'd, though Horses are not wanting, and of them Good and well shap'd. A Cart or a Wain may go through the middle of the Woods, between the Trees without getting any damage, and of such Land in a convenient place, the Purchase will cost between *Ten* and *Fifteen Pounds* for a Hundred Acres. Here is much Meadow Ground. Poor People both Men and Women, will get near three times more Wages for their Labour in this Country, than they can earn either in *England* or *Wales*.

What is Inhabited of this Country, is divided into Six *Counties*, though there is not the Twentieth Part of it yet Peopled by the *Christians:* It hath in it several Navigable Rivers for Shipping to come in, besides the Capital *Delaware*, wherein a Ship of Two Hundred Tuns may Sail Two Hundred Miles up. There are also several other small Rivers, in number hardly Credible; these, as the Brooks, have for the most part gravelly and hard Bottoms; and it is suppos'd that there are many other further up in the Country, which are not yet discover'd. . . .

There is curious *Building-Stone* and *Paving-Stone*, also *Tile-Stone*, with which latter, Governor *Penn* covered his *Great* and *Stately Pile*, which he call'd *Pennsbury-House*, the Name it still retains. There is likewise *Iron-Stone* or *Oar*, (lately found) which far exceeds that in *England*, being Richer and less Drossy; some Preparations have been made to carry on an Iron-Work: There is also very good *Lime-Stone* in great plenty, and cheap, of great use in Buildings, and also in Manuring Land, (if there were occasion) but Nature has made that of it self sufficiently Fruitful; besides here are *Load-Stones*, *Ising-Glass* and (that Wonder of Stones) the *Salamander-Stone*, found near *Brandy-Wine-River*, having *Cotton* in Veins within it, which will not consume in the Fire; though held there a long time.

As to *Minerals*, or *Metals*, there is very good *Copper*, far exceeding ours in *England*, being much Finer, and of a more glorious Colour. Not two Mile from the *Metropolis*, are also *Purging-Mineral-Waters*, that pass both by *Siege* and *Urine*, all out as good as *Epsom;* And I have reason to believe, there are good *Coals* also, for I observ'd, the Runs of Water have the same Colour as that which proceeds from the *Coal-Mines* in *Wales*.

Here is curious Diversion in Hunting, Fishing, and Fowling, especially upon that Great and Famous River *Suskahanah*, which runs down quite through the heart of the Country to *Mary-Land*, where it makes the Head of *Chesepeck-Bay*,

in which place there are an Infinite Number of Sea and Land Fowl, of most sorts. *viz. Swans*, *Ducks*, *Teal*, (which two are the most Grateful and most Delicious in the World) *Geese*, *Divers*, *Brands*, *Snipe*, *Curlew;* as also *Eagles*, *Turkies* (of Forty or Fifty Pound weight) *Pheasants*, *Partridges*, *Pidgeons*, *Heath-Birds*, *Black-Birds;* and that Strange and Remarkable Fowl, call'd (in these Parts) the *Mocking-Bird*, that Imitates all sorts of Birds in their various Notes. And for Fish, there are prodigious quantities of most sorts, *viz. Shadds*, *Cats Heads*, *Sheeps-Heads*, *Herrings*, *Smelts*, *Roach*, *Eels*, *Perch*. As also the large sort of Fish, as Whales (of which a great deal of Oyl is made) *Salmon*, *Trout*, *Sturgeon*, *Roc*, *Oysters*, (some six Inches long) *Crabs*, *Cockles*, (some as big as Stewing *Oysters* of which are made a Choice Soupe or Broth) *Canok* and *Mussels*, with many other sorts of Fish, which would be too tedious to insert.

There are several sorts of wild *Beasts* of great Profit, and good Food; *viz. Panthers*, *Woolves*, *Fither*, *Deer*, *Beaver*, *Otter*, *Hares*, *Musk-Rats*, *Minks*, *Wild Cats*, *Foxes*, *Rackoons*, *Rabits* and that strange Creature, the *Possam*, she having a false Belly to swallow her Young ones, by which means she preserveth them from danger, when any thing comes to disturb them. There are also *Bears some Wolves*, are pretty well destroy'd by the *Indians*, for the sake of the Reward given them by the *Christian*, for that Service. Here is also that Remarkable Creature the *Flying-Squirrel*, having a kind of Skinny Wings, almost like those of the *Batt*, though it hath the like Hair and Colour of the Common *Squirrel*, but is much less in Bodily Substance; I have (my self) seen it fly from one Tree to another in the Woods, but how long it can maintain its Flight is not yet exactly known.

There are in the Woods abundance of *Red Deer* (vulgarly called *Stags*) for I have bought of the *Indians* a whole *Buck*, (both Skin and Carcass) for two Gills of Gunpowder. Excellent Food, most delicious, far exceeding that in *Europe*, in the Opinion of most that are Nice and Curious People. There are vast Numbers of other Wild Creatures, as *Elks*, *Bufalos*, *&c.* all which as well Beasts, Fowl, and Fish, are free and common to any Person who can shoot or take them, without any lett, hinderance or Opposition whatsoever.

There are among other various sorts of *Frogs*, the *Bull-Frog*, which makes a roaring noise, hardly to be distinguished from that well known of the Beast, from whom it takes its Name: There is another sort of *Frog* that crawls up to the tops of Trees, there seeming to imitate the Notes of several Birds, with many other strange and various Creatures, which would take up too much room here to mention.

Next, I shall proceed to instance in the several sorts of Wild Fruits, as excellent *Grapes*, *Red*, *Black*, *White*, *Muscadel*, and *Fox*, which upon frequent Experience have produc'd Choice Wine, being daily Cultivated by skilful *Vinerons;* they will in a short space of time, have very good Liquor of their own, and some to supply their Neighbours, to their great advantage; as these Wines are more pure, so much more wholsom; the Brewing Trade of Sophisticating and Adulterating of Wines, as in *England*, *Holland* (especially) and in some other places not being known there yet, nor in all probability will it in many Years, through a natural Probity so fixed and implanted in the Inhabitants, and (I hope) like to continue. *Wallnuts*, *Chestnuts*, *Filberts*, *Hockery-Nuts*, *Hartleberries*, *Mulberries*, (white and black) *Rasberries*, *Strawberries*, *Cramberries*, *Plumbs* of several sorts, and many other Wild Fruits, in great plenty, which are common and free for any to gather; to particularize the Names of them all, would take up too much time; tire, not gratifie the Reader, and be inconsistent with the intended Brevity of this little Volume.

The common Planting *Fruit-Trees*, are *Apples*, which from a Kernel (without Inoculating) will shoot up to be a large Tree, and produce very delicious, large, and pleasant Fruit, of which much excellent *Cyder* is made, in taste resembling that in England press'd from *Pippins* and *Pearmains*, sold commonly for between Ten and Fifteen Shillings *per* Barrel. *Pears*, *Peaches*, &c. of which they distil a Liquor much like the taste of *Rumm*, or *Brandy*, which they Yearly make in great quantities: *There are Quinces*, *Cherries*, *Goosberries*, *Currants*, *Squashes*, *Pumpkins*, *Water-Mellons*, *Muskmellons*, and other *Fruits* in great Numbers, which seldom fail of yielding great plenty. There are also many curious and excellent *Physical Wild Herbs*, *Roots*, and *Drugs* of great Vertue, and very sanative, as the *Sassafras*, and *Sarsaparilla*, so much us'd in Diet-Drinks for the Cure of the Veneral Disease, which makes the *Indians* by a right application of them, as able *Doctors* and *Surgeons* as any in *Europe*, performing celebrated Cures therewith, and by the use of some particular *Plants* only, find Remedy in all *Swellings*, *Burnings*, *Cuts*, &c. There grows also in great plenty the *Black Snake-Root*, (fam'd for its sometimes preserving, but often curing the *Plague*, being infused only in Wine, Brandy or Rumm) *Rattle-Snake-Root*, *Poke-Root*, called in

England Jallop, with several other beneficial *Herbs*, *Plants* and *Roots*, which *Physicians* have approved of, far exceeding in Nature and Vertue, those of other Countries. . . .

Their sorts of *Grain* are, *Wheat*, *Rye*, *Pease*, *Oates*, *Barley*, *Buck-Wheat*, *Rice*, *Indian-Corn*, *Indian-Pease*, and *Beans*, with great quantities of *Hemp* and *Flax*; as also several sorts of eating Roots, as *Turnips*, *Potatoes*, *Carrats*, *Parsnips*, &c. all which are produc'd Yearly in greater quantities than in *England*, those *Roots* being much larger, and altogether as sweet, if not more delicious; *Cucumbers*, *Coshaws*, *Artichokes*, with many others; most sorts of Saladings, besides what grows naturally Wild in the Country, and that in great plenty also, as *Mustard*, *Rue*, *Sage*, *Mint*, *Tanzy*, *Wormwood*, *Penny-Royal* and *Purslain*, and most of the Herbs and Roots found in the Gardens in *England*. There are several Husband Men, who sow Yearly between Seventy and Eighty Acres of *Wheat* each, besides *Barley*, *Oates*, *Rye*, *Pease*, *Beans*, and other Grain.

They have commonly *Two Harvests* in the Year; First, of *English Wheat*, and next of *Buck* (or *French*) Wheat. They have great Stocks both of *Hogs* and *Horses*, kept in the Woods, out of which, I saw a *Hog* kill'd, of about a Year old, which weigh'd Two Hundred weight; whose Flesh is much sweeter, and even more luscious than that in *England*, because they feed and fatten on the rich (though wild) Fruits, besides those fatned at home by *Peaches*, *Cherries* and *Apples*. Their *Horses* are very hardy, insomuch that being very hot with riding or otherwise, they are turn'd out into the Woods at the same Instant, and yet receive no harm; some Farmers have Forty, some Sixty, and from that Number to Two or Three Hundred Head of *Cattle:* Their Oxen usually weigh Two Hundred Pounds a Quarter. They are commonly fatter of Flesh, and yield more Tallow (by feeding only on Grass) than the Cattle in *England*. And for Sheep, they have considerable Numbers which are generally free from those infectious Diseases which are incident to those Creatures in *England*, as the *Rot*, *Scab*, or *Maggots;* They commonly bring forth two *Lambs* at once, some *twice in one Year*, and the Wooll is very fine, and thick, and also very white.

Bees thrive and multiply exceedingly in those Parts, the *Sweeds* often get great store of them in the Woods, where they are free for any Body. Honey (and choice too) is sold in the Capital City for Five Pence *per* Pound. Wax is also plentiful, cheap, and a considerable Commerce. Tame Fowls, as *Chickens*, *Hens*, *Geese*, *Ducks*, *Turkeys*, &c. are large, and very plentiful all over this Countrey.

And now for their Lots and Lands in City and Countrey, in their great Advancement since they were first laid out, which was within the compass of about Twelve Years, that which might have been bought for Fifteen or Eighteen Shillings, is now sold for Fourscore Pounds in ready Silver; and some other Lots, that might have been then Purchased for Three Pounds, within the space of Two Years, were sold for a Hundred Pounds a piece, and likewise some Land that lies near the City, that Sixteen Years ago might have been Purchas'd for Six or Eight Pounds the Hundred Acres, cannot now be bought under One Hundred and Fifty, or Two Hundred Pounds.

Now the true Reason why this Fruitful Countrey and Florishing City advance so considerably in the Purchase of Lands both in the one and the other, is their great and extended Traffique and Commerce both by Sea and Land, *viz.* to *New-York*, *New-England*, *Virginia*, *Mary-Land*, *Carolina*, *Jamaica*, *Barbadoes*, *Nevis*, *Monserat*, *Antego* St. *Christophers*, *Barmudoes*, *New-Found-Land*, *Maderas*, *Saltetudeous*, and *Old-England;* besides several other places. Their merchandise chiefly consists in *Horses*, *Pipe-Staves*, *Pork* and *Beef* Salted and Barrelled up, *Bread*, and *Flower*, all sorts of Grain, *Pease*, *Beans*, *Skins*, *Furs*, *Tobacco*, or *Pot-Ashes*, *Wax*, &c which are Barter'd for *Rumm*, *Sugar*, *Molasses*, *Silver*, *Negroes*, *Salt*, *Wine*, *Linen*, *Household-Goods* &c.

However, there still remain Lots of Land both in the aforesaid City and Country, that any may Purchase almost as cheap as they could at the first Laying out or Parcelling of either City or Country; which is, (in the Judgment of most People) the likeliest to turn to account to those that lay their Money out upon it, and in a shorter time than the aforementioned Lots and Lands that are already improved, and for several Reasons. In the first place, the Countrey is now well inhabited by the Christians, who have great Stocks of all sorts of Cattle, that encrease extraordinarly, and upon that account they are oblig'd to go farther up into the Countrey, because there is the chiefest and best place for their Stocks, and for them that go back into the Countrey, they get the richest Land, for the best lies thereabouts.

Secondly, Farther into the Countrey is the Principal Place to Trade with the *Indians* for all sorts of *Pelt*, as *Skins* and *Furs*, and also *Fat Venison*, of whom People may Purchase cheaper by three Parts in four than they can at the City of *Philadelphia*.

Thirdly, Backwards in the Countrey lies the

Mines where is *Copper* and *Iron*, besides other *Metals*, and *Minerals*, of which there is some Improvement made already in order to bring them, to greater Perfection; and that will be a means to erect more Inland Market-Towns, which exceedingly promote Traffick.

Fourthly, and lastly, Because the Countrey at the first, laying out, was void of Inhabitants (except the Heathens, or very few Christians not worth naming) and not many People caring to abandon a quiet and easie (at least tolerable) Life in their Native Countrey (usually the most agreeable to all Mankind) to seek out a new hazardous, and careful one in a Foreign Wilderness or Desart Countrey, wholly destitute of Christian Inhabitants, and even to arrive at which, they must pass over a vast Ocean, expos'd to some Dangers, and not a few Inconveniences: But now all those Cares, Fears and Hazards are vanished, for the Countrey is pretty well Peopled, and very much Improv'd, and will be more every Day, now the Dove is return'd with the Olive-branch of Peace in her Mouth.

I must needs say, even the present Encouragements are very great and inviting, for Poor People (both Men and Women) of all kinds, can here get three times the Wages for their Labour they can in *England* or *Wales*.

I shall instance in a few, which may serve; nay, and will hold in all the rest. The first was a *Black-Smith*, (my next Neighbour) who himself and one Negro Man he had, got Fifty Shillings in one Day, by working up a Hundred Pound Weight of Iron, which at Six Pence *per* Pound (and that is the common Price in that Countrey) amounts to that Summ.

And for *Carpenters*, both *House* and *Ship*, *Brick-layers*, *Masons*, either of these Trades-Men, will get between Five and Six Shillings every Day constantly. As to *Journey-Men Shooe-Makers*, they have Two Shillings *per* Pair both for Men and Womens Shooes: And *Journey-Men Taylors* have Twelve Shillings *per* Week and their Diet. *Sawyers* get between Six and Seven Shillings the Hundred for Cutting of Pine-Boards. And for *Weavers*, they have Ten or Twelve Pence the Yard for Weaving of that which is little more than half a Yard in breadth. *Wooll-Combers*, have for combing Twelve Pence *per* Pound. *Potters* have Sixteen Pence for an Earthen Pot which may be bought in *England* for Four Pence. *Tanners*, may buy their Hides green for Three Half Pence *per* Pound, and sell their Leather for Twelve Pence *per* Pound. And *Curriers* have Three Shillings and Four Pence *per* Hide for Dressing it; they buy their Oyl at Twenty Pence *per* Gallon. *Brick-Makers* have Twenty Shillings *per* Thousand for their Bricks at the Kiln. *Felt-Makers* will have for their Hats Seven Shillings a piece, such as may be bought in *England* for Two Shillings a piece; yet they buy their *Wooll* commonly for Twelve or Fifteen Pence *per* Pound. And as to the *Glaziers*, they will have Five Pence a Quarry for their Glass. The Rule for the *Coopers* I have almost forgot; but this I can affirm of some who went from *Bristol*, (as their Neighbours report) that could hardly get their Livelihoods there, are now reckon'd in *Pensilvania*, by a modest Computation to be worth some Hundreds, (if not Thousands) of Pounds. The *Bakers* make as White Bread as any in *London*, and as for their Rule, it is the same in all Parts of the World that I have been in. The *Butchers* for killing a Beast, have Five Shillings and their Diet; and they may buy a good fat large Cow for Three Pounds, or thereabouts. The *Brewers* sell such Beer as is equal in Strength to that in *London*, half Ale and half Stout for Fifteen Shillings *per* Barrel; and their Beer hath a better Name, that is, is in more esteem than *English Beer* in *Barbadoes*, and is sold for a higher Price there. And for *Silver-Smiths*, they have between Half a Crown and Three Shillings an Ounce for working their Silver, and for Gold equivalent. *Plasterers* have commonly Eighteen Pence *per* Yard for *Plastering*. *Last-Makers* have Sixteen Shillings *per* dozen for their Lasts. And *Heel-Makers* have Two Shillings a dozen for their Heels. *Wheel* and *Mill-Wrights*, *Joyners*, *Braziers*, *Pewterers*, *Dyers*, *Fullers*, *Comb-Makers*, *Wyer-Drawers*, *Cage-Makers*, *Card-Makers*, *Painters*, *Cutlers*, *Rope-Makers*, *Carvers*, *Block-Makers*, *Turners*, *Button-Makers*, *Hair* and *Wood Sieve-Makers*, *Bodies-Makers*, *Gun-Smiths*, *Lock-Smiths*, *Nailers*, *File-Cuters*, *Skinners*, *Furriers*, *Glovers*, *Patten-Makers*, *Watch-Makers*, *Clock-Makers*, *Sadlers*, *Coller-Makers*, *Barbers*, *Printers*, *Book-Binders*, and all other *Trades-Men*, their Gains and Wages are about the same proportion as the forementioned Trades in their Advancements, as to what they have in *England*.

Of *Lawyers* and *Physicians* I shall say nothing, because this Countrey is very Peaceable and Healthy; long may it so continue and never have occasion for the Tongue of the one, nor the Pen of the other, both equally destructive of Mens Estates and Lives; besides forsooth, they, Hang-Man like, have a License to Murder and make Mischief. *Labouring-Men* have commonly here, between 14 and 15 Pounds a Year, and their Meat, Drink, Washing and Lodging; and by the Day their Wages is generally between Eighteen Pence and Half a Crown, and Diet also; But in Harvest

they have usually between Three and Four Shillings each Day, and Diet. The *Maid Servants Wages* is commonly betwixt Six and Ten Pounds *per Annum*, with very good Accommodation. And for the *Women* who get their Livelihood by their own *Industry*, their Labour is very dear, for I can buy in *London* a Cheese-Cake for Two Pence, bigger than theirs at that price when at the same time their Milk is as cheap as we can buy it in *London*, and their Flour cheaper by one half.

Corn and Flesh, and what else serves Man for Drink, Food and Rayment, is much cheaper here than in *England*, or elsewhere; but the chief reason why Wages of Servants of all sorts is much higher here than there, arises from the great Fertility and Produce of the Place; besides, if these large Stipends were refused them, they would quickly set up for themselves, for they can have Provision very cheap, and Land for a very small matter, or next to nothing in comparison of the Purchase of Lands in *England;* and the Farmers there, can better afford to give that great Wages than the Farmers in *England* can, for several Reasons very obvious.

As First, their Land costs them (as I said but just now) little or nothing in comparison, of which the Farmers commonly will get twice the encrease of Corn for every Bushel they sow, that the Farmers in *England* can from the richest Land they have.

In the Second place, they have constantly good price for their Corn, by reason of the great and quick vent into *Barbadoes* and other Islands; through which means *Silver* is become more plentiful than here in *England*, considering the Number of People, and that causes a quick Trade for both Corn and Cattle; and that is the reason that Corn differs now from the Price formerly, else it would be at half the Price it was at then; for a Brother of mine (to my own particular knowledge) sold within the compass of one Week, about One Hundred and Twenty fat Beasts, most of them good handsom large Oxen.

Thirdly, They pay no *Tithes*, and their *Taxes* are inconsiderable; the Place is free for all Persuasions, in a Sober and Civil way; for the Church of *England* and the *Quakers* bear equal Share in the Government. They live Friendly and Well together; there is no Persecution for Religion, nor ever like to be; 'tis this that knocks all Commerce on the Head, together with high Imposts, strict Laws, and cramping Orders. Before I end this Paragraph, I shall add another Reason why Womens Wages are so exorbitant; they are not yet very numerous, which makes them stand upon high Terms for their several Services, in *Sempstering*, *Washing*, *Spinning*, *Knitting*, *Sewing*, and in all the other parts of their Imployments; for they have for Spinning either Worsted or Linen, Two Shillings a Pound, and commonly for Knitting a very Course pair of Yarn Stockings, they have half a Crown a pair; moreover they are usually Marry'd before they are Twenty Years of Age, and when once in that Noose, are for the most part a little uneasie, and make their Husbands so too, till they procure them a Maid Servant to bear the burden of the Work, as also in some measure to wait on them too.

It is now time to return to the City of *Brotherly-Love* (for so much the *Greek* Word or Name *Philadelphia* imports) which though at present so obscure, that neither the *Map-Makers*, nor *Geographers* have taken the least notice of her, tho she far excceds her Namesake of *Lydia*. (having above Two Thousand Noble Houses for her Five Hundred Ordinary) or *Celisia*, or *Cælesyria;* yet in a very short space of time she will, in all probability, make a fine Figure in the World, and be a most Celebrated Emporeum. Here is lately built a Noble *Town-House* or *Guild-Hall*, also a Handsom *Market-House* and a convenient *Prison*. The Number of Christians both Old and Young Inhabiting in that Countrey, are by a Modest Computation, adjudged to amount to above Twenty Thousand.

The Laws of this Countrey, are the same with those in *England;* our Constitution being on the same Foot: Many Disputes and Differences are determined and composed by Arbitration; and all Causes are decided with great Care and Expedition, being concluded (generally) at furthest at the Second Court, unless they happen to be very Nice and Difficult Cases; under Forty Shillings any one Justice of the Peace has Power to Try the Cause. Thieves of all sorts, are oblig'd to restore four fold after they have been Whipt and Imprison'd, according to the Nature of their Crime; and if they be not of Ability to restore four fold, they must be in Servitude till 'tis satisfied. They have Curious Wharfs as also several large and fine Timber-Yards, both at *Philadelphia*, and *New-Castle*, especially at the *Metropolis*, before *Robert Turner's* Great and Famous House, where are built Ships of considerable Burthen; they Cart their Goods from that Wharf into the City of *Philadelphia*, under an Arch, over which part of the Street is built, which is called *Chestnut-Street-Wharf*, besides other *Wharfs*, as *High-Street Wharf*, *Mulberry-Street Wharf*, and *Vine-Street Wharf*, and all those are Common Wharfs; and likewise there are very pleasant Stairs, as *Trus* and *Carpenter-Stairs*, besides several others.

There are above Thirty Carts belonging to that City, Four or Five Horses to each. There is likewise a very convenient Wharf called *Carpenter's Wharf*, which hath a fine necessary *Crain* belonging to it, with suitable *Granaries*, and *Store-Houses*. A Ship of Two Hundred Tun may load and unload by the side of it, and there are other Wharfs (with *Magazines* and *Ware-Houses*) which front the City all along the River, as also a Curious and Commodious *Dock* with a *Draw-Bridge* to it, for the convenient Reception of Vessels; where have been built some Ships of Two or Three Hundred Tuns each: They have very Stately Oaks to build Ships with, some of which are between Fifty and Sixty Feet long, and clear from Knots, being very straight and well Grain'd. In this famous City of *Philadelphia* there are several *Rope-Makers*, who have large and curious *Rope-Walks* especially one *Joseph Wilcox*. Also Three or Four Spacious *Malt-Houses*, as many large *Brew-Houses*, and many handsom *Bake-Houses* for Publick Use.

In the said City are several good *Schools of Learning* for Youth, in order to the Attainment of *Arts* and *Sciences*, as also *Reading*, *Writing*, &c. Here is to be had on any Day in the Week, *Tarts*, *Pies*, *Cakes*, &c. We have also several *Cooks-Shops*, both *Roasting* and *Boyling*, as in the City of *London; Bread*, *Beer*, *Beef*, and *Pork*, are sold at any time much cheaper than in *England* (which arises from their Plenty) our Wheat is very white and clear from Tares, making as good and white Bread as any in *Europe*. Happy Blessings, for which we owe the highest Gratitude to our Plentiful Provider, the great Creator of Heaven and Earth. The *Water-Mills* far exceed those in *England*, both for quickness and grinding good Meal, their being great choice of good Timber, and earlier Corn than in the aforesaid Place, they are made by one *Peter Deal*, a Famous and Ingenious Workman, especially for inventing such like Machines. . . .

The *Christian Children* born here are generally *well-favoured*, and *Beautiful* to behold; I never knew any come into the World with the least blemish on any part of its Body, being in the general, observ'd to be *better Natur'd*, *Milder*, and more *tender Hearted* than those born in *England*.

There are very fine and delightful *Gardens* and *Orchards*, in most parts of this Countrey; but *Edward Shippey* (who lives near the Capital City) has an Orchard and Gardens adjoyning to his Great House that equalizes (if not exceeds) any I have ever seen, having a very famous and pleasant Summer-House erected in the middle of his extraordinary fine and large Garden abounding with *Tulips*, *Pinks*, *Carnations*, *Roses*, (of several sorts) *Lilies*, not to mention those that grow wild in the Fields.

Reader, what I have here written, is not a *Fiction*, *Flam*, *Whim*, or any sinister *Design*, either to impose upon the Ignorant, or Credulous, or to curry Favour with the Rich and Mighty, but in meer Pity and pure Compassion to the Numbers of Poor Labouring Men, Women, and Children in *England*, half starv'd, visible in their meagre looks, that are continually wandering up and down looking for Employment without finding any, who here need not lie idle a moment, nor want due Encouragement or Reward for their Work, much less Vagabond or Drone it about. Here are no Beggars to be seen (it is a Shame and Disgrace to the State that there are so many in *England*) nor indeed have any here the least Occasion or Temptation to take up that Scandalous Lazy Life.

Jealousie among Men is here very rare, and Barrenness among Women hardly to be heard of, nor are old Maids to be met with; for all commonly Marry before they are Twenty Years of Age, and seldom any young Married Woman but hath a Child in her Belly, or one upon her Lap.

What I have deliver'd concerning this *Province*, is indisputably true, I was an Eye-Witness to it all, for I went in the first Ship that was bound from *England* for the Countrey, since it received the Name of *Pensilvania*, which was in the Year 1681. The Ship's Name was the *John* and *Sarah* of *London*, *Henry Smith* Commander. I have declin'd giving any Account of several things which I have only heard others speak of, because I did not see them my self, for I never held that way infallible, to make Reports from *Hear-say*. I saw the first Cellar when it was digging for the use of our Governour *Will. Penn*.

I shall now haste to a Conclusion, and only hint a little concerning the *Natives* or *Aborigines*, their *Persons*, *Language*, *Manners*, *Religion* and *Government;* Of *Person* they are ordinarily Tall, Straight, well-turn'd, and true Proportion'd; their Tread strong and clever, generally walking with a lofty Chin. Of Complexion *Black*, but by design, *Gypsie-like*, greasing themselves with Bears-fat Clarified, and using no defence against the Injuries of the *Sun* and *Weather*, their Skins fail not to be Swarthy. Their *Eyes* are small and black. *Thick Lips and flat Noses* so frequent with *Negroes* and *East Indians*, are rare with them. They have Comely Faces and Tolerable Complexions, some of their *Noses* having a rise like the *Roman*.

Their *Language* is Lofty and Elegant, but not

Copious; *One* Word serveth in the stead of *Three*, imperfect and ungrammatical, which defects are supply'd by the Understanding of the Hearers. *Sweet*, of *Noble Sound* and *Accent*. Take here a Specimen.

Hodi hita nee huska a peechi, nee, machi
Pensilvania *huska dogwachi, keshow a peechi*
Nowa, huska hayly, Chetena koon peo.

Thus in *English.*

Farewel Friend, I will very quickly go to *Pensilvania*, very cold Moon will come presently, And very great hard frosts will come quickly.

I might Treat largely of their *Customs* and *Manners*, but that will not agree with my proposed Brevity.

As soon as their Children are born, they wash them in cold *Water*, especially in *cold Weather*. To harden and embolden them, they plunge them in the River, they find their Feet early, usually at Nine Months they can go. The Boys Fish till Fifteen, then Hunt, and having given proof of their Manhood, by a large return of Skins, they may Marry (else 'tis ashame to think of a Wife) which is usually at the Age of Seventeen or Eighteen; the Girls stay with their Mothers, and help to hoe the Ground, Plant Corn, bear Burdens, and Marry about Thirteen or Fourteen.

Their Houses are *Matts*, or *Barks* of *Trees* set on Poles, Barn-like, not higher than a Man, so not expos'd to Winds. They lie upon *Reeds* or *Grass*. In *Travel* they lodge in the *Woods* about a great Fire, with the Mantle of Duffils they wear wrapt about them, and a few Boughs stuck round them.

They live chiefly on *Maze*, or *Indian Corn* rosted in the Ashes, sometimes beaten and boyl'd with Water, called *Homine*. They have Cakes, not unpleasant; also Beans and Pease, which Nourish much, but the Woods and Rivers afford them their Provision; they eat Morning and Evening; their Seats and Tables are the Ground; they are reserv'd, apt to resent and retain long: Their Women are Chaste (at least after Marriage) and when with Child, will not admit of their Husbands Embraces any more till Deliver'd. Exceedingly Liberal and Generous; Kind and Affable; uneasie in Sickness, to remedy which, they drink a Decoction of Roots in Spring-Water, forbearing Flesh, which if they happen to eat, it must be the Female; they commonly bury their Kettles and part of their Goods with their Friends when they die, suspecting (poor Souls) they shall make use of them again at the Resurrection. They mourn a whole Year, but it is no other than blacking their Faces.

Their Government is Monarchical, and Successive, and ever of the Mothers (the surest) side, to prevent a Spurious Issue. The Distaff (as in *France*) is excluded the Regal Inheritance. Their Princes are Powerful, yet do nothing without the Concurrence of their Senate, or Councils, consisting chiefly of Old, but mixt with Young Men; slow and deliberate, (*Spaniard*-like) in resolving, naturally wise, and hardly to be out-witted. Their Punishments are Pecuniary. Murder may be aton'd for by Feasts and Presents, in Proportion to the Quality of the Offence, Person, or Sex injur'd; for it a Woman be kill'd, the Mulct is double, because she brings forth Children. They seldom quarel, when Sober, and if Boozy, (which of late they are more apt to be, having learn'd to drink, a little too much Rum of the Christians, to their shame) they readily pardon it, alledging the Liquor is Criminal not the Man.

The way of Worship the *Sweeds* use in this Countrey, is the *Lutheran;* the *English* have four sorts of Assemblies or Religious Meetings here: as first, The Church of *England*, who built a very fine Church in the City of *Philadelphia* in the Year 1695. Secondly, the *Anabaptists;* Thirdly, the *Presbyterians*, and two sorts of *Quakers* (of all the most numerous by much) one Party held with *George Keith;* but whether both parties will joyn together again in one I cannot tell, for that Gentleman hath alter'd his Judgment since he came to *England*, concerning his Church-Orders in *Pensilvania*, by telling and shewing them Precepts that were lawful in the time of the Law, but forbidden under the Gospel to pay Tithes, or Ministers to Preach for Hire, &c. As also to sprinkle Infants; and he tells the *Presbyterian Minister*, That he must go to the Pope of *Rome* for his Call, for he had no Scripture for it, and that Water-Baptism and the Outward Supper are not of the Nature of the Everlasting Gospel; nor essential Parts of it, see his *Truth Advanced* page 173. He gives likewise a strict Charge concerning plain Language and plain Habit, and that they should not be concern'd in the compelling part of the Worldy Government, and that they should set their *Negroes* at Liberty after some reasonable time of Service; likewise, they should not take the Advantage of the Law against one another, as to procure them any Corporeal Punishment: These Orders he tells his Followers, would make Distinction between them and *Jews* and Moral Heathens, this was in the Year 1693, in *Pensilvania:* But now the Year 1697, since he came to *England*, his Judgment is chang'd, for he tells his Disciples, that Water-Baptism is come in the room of Circumcision; and by so doing, they would distin-

guish themselves from either *Jews*, *Pagans*, or Moral *Heathens:* He keeps his Meeting once a Week at *Turners-Hall* in *Fill-Pot-Lane*, *London*, on *Sundays* in the Afternoon; he begins between Two and Three of the Clock and commonly ends between Four and Five.

Friendly Reader, by this thou mayst see how wavering and mutuable Men of great Outward Learning are, if the Truth of this be by any Body question'd, let them look in the *Creed*, and the Paper against *Christians being concern'd in Worldly Government*, and the *Paper concerning Negroes*, that was given forth by the Appointment of the Meeting held by *George Keith* at *Philip James's* House in the City of *Philadelphia*, in *Pensilvania;* and his *Letter also in* Mary-Land *against the Presbyterian Catechism*, Printed at *Boston* in *New-England* in 1695, with the *Answer* to it bound up together in one Book and in *Truth Advanced*, page 173. And for what relates to him since in *England*, let them look into the *Quakers Argument Refuted*, *Concerning Water-Baptism and the Lord's Supper*, page 70. And now Reader, I shall take my leave of thee, recommending thee with my own self to the Directions of the Spirit of God in our Conscience, and that will agree with all the Holy Scriptures in its right place; and when we find our selves so, we have no need to take any Thought or Care what any Body shall say of us.

THE SCOTCH-IRISH

From 1700 to 1730, shipload after shipload of emigrants left Northern Ireland for America. Their parents and grandparents, Presbyterian Scots for the most part, had been settled in Ulster as part of the drive to make Ireland a Protestant country. Under Cromwell, James's policy of putting Scottish Protestants on Irish lands was pursued with a ruthless consistency that sent Catholic Irishmen into the service of France and Spain, into the West of Ireland and into the cane fields of Barbados—"to Hell or Connaught" as the later phrase had it—while strangers were settled on their lands. The strangers were equally alien to the native Irish and to the English ruling class that governed both. The Scots were Presbyterians, yet they were obliged to pay tithes to the Anglican clergy of the Irish Established Church. They were weavers, and so a threat to Yorkshire's woolen trade. Their leases were running out, at the turn of the seventeenth century, and the bailiffs stood ready to raise their rents.

Rising rents, depression in the linen trade, poor harvests, religious and economic discrimination, all contrived to further the first emigration of the Ulster Scots. In this group of documents, one may see that migration as it appeared to an Irish landlord of fairly liberal tendencies; to the Anglican Primate of Ireland; to a group of petitioners who appealed to the Irish Parliament against an unscrupulous shipmaster's effort to send them to the West Indies instead of Carolina; and, finally, to two of the migrants themselves.

In the letters of the Archbishop of Armagh, one views the Ulster situation as it appeared to a responsible member of government. For Hugh Boulter (1672–1742) was Privy Councillor and Lord Justice in Ireland, in the confidence of Sir Robert Walpole, and as important a figure in Irish politics as in the Church of Ireland. Boulter considered himself head of the "English interest" in Ireland, and was equally opposed to relaxing the penal laws against the Catholics and increasing the liberties of the Presbyterians. In his letters to various English dignitaries, Boulter takes account of the present discontent and migration from Northern Ireland. More money is being exacted from the cultivator, he admits, but that is to be charged against rent, not tithes, which are too low as it is. There is great suffering from dearth and the disturbance in the linen trade, both of which are helping stir the people to emigration. For remedy, since prolonged migration will rob the landlord of rent, the clergyman of tithe and the kingdom of people, Boulter suggests the renewed enforcement of ancient laws against leaving the realm.

Sometimes it was the passengers aboard an emigrant ship, not the rulers in power, who tried to check emigration. The proceedings in

such a case—the petition of Robert Oliver and others unlawfully detained aboard ship—before the Irish House of Commons illuminates some of the methods used to promote emigration. Irish Protestants were decoyed on board by lying tales, then delayed till their store of provisions was gone and their money spent or stolen. To become indentured servants in the colonies was then the one recourse left them.

Yet the emigrants who undertook the voyage more independently made such favorable reports of their experience that, for all the hardship, migration continued. That hardship —often accompanied by terror—is effectively illustrated in the report of young Robert Witherspoon, who came to South Carolina in the winter of 1734. On the other hand, there is little emotion in Robert Parke's letter to his sister. The Irish Quaker is completely practical, full of news and a good husbandman's advice. Yet even from his sober lines, one may catch the eagerness with which letters from America were read by the people left behind. This is a good country for working folk is Parke's burthen; land is cheap, wages high, provisions abundant. The American story is in full development with Parke: the lower orders had a refuge.

The first selection is from *Letters Written by Hugh Boulter, D.D., Lord Primate of Ireland* (Oxford, 1749). The second is from L. F. Stock, ed., *Proceedings and Debates of the British Parliaments Respecting North America*, Vol. IV (Washington, 1937). The third and fourth selections are from C. A. Hanna, *The Scotch-Irish in America*, Vol. II (New York, 1902).

Letters Written by Hugh Boulter, D.D., Lord Primate of Ireland

Dublin, Mar. 7, 1727–8.

To the Duke of Newcastle [Secretary of State]:

My Lord:—. . . Since I came here in the year 1725, there was almost a famine among the poor. Last year, the dearness of corn was such that thousands of families quitted their habitations to seek bread elsewhere, and many hundreds perished. This year, the poor had consumed their potatoes, which is their winter subsistence, near two months sooner than ordinary, and are already, through the dearness of corn, in that want that, in some places they begin already to quit their habitations.

Dublin, Mar. 13, 1728.

To the Bishop of London:

My Lord:—As we have had reports here that the Irish gentlemen in London would have the great burthen of tithes thought one of the chief grievances, that occasion such numbers of the people of the North going to America, I have for some time designed to write to your lordship on that subject.

But a memorial lately delivered in here by the Dissenting ministers of this place, containing the causes of this desertion, as represented to them by the letters of their brethren in the North (which memorial we have lately sent over to my lord lieutenant), mentioning the oppression of the ecclesiastical courts about tithes as one of their great grievances: I found myself under a necessity of troubling your lordship on this occasion with a true state of that affair, and of desiring your lordship to discourse with the ministry about it.

The gentlemen of this country have ever since I came hither been talking to others, and persuading their tenants, who complained of the excessiveness of their rents, that it was not the paying too much rent, but too much tithe that impoverished them: and the notion soon took among the Scotch Presbyterians, as a great part of the Protestants in the North are, who it may easily be supposed do not pay tithes with great cheerfulness. And indeed I make no doubt but the landlords in England might with great ease raise a cry amongst their tenants of the great oppression they lay under by paying tithes.

What the gentlemen want to be at is, that they may go on raising their rents, and that the clergy should still receive their old payments for their tithes. But as things have happened otherwise, and they are very angry with the clergy, without considering that it could not happen otherwise than it has, since if a clergyman saw a farm raised in its rent *e. g.*, from 10 to 20 l. per annum, he might

be sure his tithe was certainly worth double what he formerly took for it. Not that I believe the clergy have made a proportionable advancement in their composition for their tithes to what the gentlemen have made in their rents. And yet it is upon this rise of the value of the tithes that they would persuade the people to throw their distress.

In a conference I had with the Dissenting ministers here some weeks ago, they mentioned the raising the value of the tithes beyond what had been formerly paid as a proof that the people were oppressed in the article of tithes. To which I told them, that the value of tithes did not prove any oppression, except it were proved that that value was greater than they were really worth, and that even then the farmer had his remedy by letting the clergy take it in kind.

And there is the less in this argument, because the fact is, that about the years 1694 and 1695, the lands here were almost waste and unsettled, and the clergy in the last distress for tenants for their tithes, when great numbers of them were glad to let their tithes at a very low value, and that during incumbency, for few would take them on other terms: and as the country has since settled and improved, as those incumbents have dropped off, the tithe of those parties has been considerably advanced without the least oppression, but I believe your lordship will think not without some grumbling. The same, no doubt, has happened when there have been careless or needy incumbents, and others of a different character that have succeeded them.

I need not mention to your lordship that I have been forced to talk to several here, that if a landlord takes too great a portion of the profits of a farm for his share by way of rent (as the tithe will light on the tenant's share) the tenant will be impoverished: but then it is not the tithe but the increased rent that undoes the farmer. And indeed in this country, where I fear the tenant hardly ever has more than one third of the profit he makes of his farm for his share, and too often but a fourth or perhaps a fifth part, as the tenant's share is charged with the tithe, his case is no doubt hard, but it is plain from what side the hardship arises.

Another thing they complain of in their memorial is, the trouble that has been given them about their marriages and their school-masters. As to this I told them, that for some time they had not been molested about their marriages; and that as to their school-masters, I was sure they had met with very little trouble on that head, since I had never heard any such grievance so much as mentioned till I saw it in their memorial.

Another matter complained of is the sacramental test, in relation to which I told them, the laws were the same in England.

As for other grievances they mention, such as raising the rents unreasonably, the oppression of justices of the peace, seneschals, and other officers in the country, as they are by no ways of an ecclesiastical nature, I shall not trouble your lordship with an account of them, but must desire your lordship to talk with the ministry on the subject I have now wrote about, and endeavor to prevent their being prepossessed with any unjust opinion of the clergy, or being disposed, if any attempt should be made from hence to suffer us to be stript of our just rights.

Dublin, Mar. 13, 1728.

To the Duke of Newcastle:

My Lord:—As we are in a very bad way here, I think myself obliged to give your Grace some account of it.

The scarcity and dearness of provision still increases in the North. Many have eaten the oats they should have sowed their land with; and except the landlords will have the good sense to furnish them with seed, a great deal of land will lye idle this year. . . .

The humour of going to America still continues, and the scarcity of provisions certainly makes many quit us. There are now seven ships at Belfast, that are carrying off about 1000 passengers thither; and if we knew how to stop them, as most of them can neither get victuals nor work, it would be cruel to do it. . . .

The dissenting ministers here have lately delivered in a memorial, representing the grievances their brethren have assigned as the causes, in their apprehension of the great desertion in the North. As one of these causes relates to the ecclesiastical courts here, and as it is generally repeated here that the Irish gentlemen at London are for throwing the whole occasion of this desertion on the severity of tithes, I have by this post written to the Bishop of London a very long letter on that subject, and have desired him to wait on the ministry, and discourse with them on that head.

Dublin, July 16, 1728.

To the Duke of Newcastle:

My Lord:—. . . We have hundreds of families (all Protestants) removing out of the North to America; and the least obstruction in the linen manufacture, by which the North subsists, must occasion greater numbers following; and the want of silver increasing, will prove a terrible blow to that manufacture, as there will not be money to pay the poor for their small parcels of yarn.

Dublin, Nov. 23, 1728.

To the Duke of Newcastle:

My Lord:—I am very sorry I am obliged to give your Grace so melancholy an account of the state of this kingdom, as I shall in this letter; but I thought it my duty to let his Majesty know our present condition in the North. For we have had three bad harvests together there, which has made oatmeal, which is their great subsistence, much dearer than ordinary; and as our farmers here are very poor, and obliged as soon as they have their corn to sell it for ready money to pay their rents, it is much more in the power of those who have a little money, to engross corn here, and make advantage of its scarceness, than in England.

We have had for several years some agents from the colonies in America, and several masters of ships, that have gone about the country and deluded the people with stories of great plenty, and estates to be had for going for, in those parts of the world; and they have been the better able to seduce people, by reason of the necessities of the poor of late.

The people that go from here make great complaints of the oppressions they suffer here, not from the Government, but from their fellow-subjects, of one kind or another, as well as of the dearness of provisions, and they say these oppressions are one reason of their going.

But whatever occasions their going, it is certain that above 4200 men, women, and children have been shipped off from hence for the West Indies [*i. e.*, North America] within three years, and of these, above 3100 this last summer. Of these, possibly one in ten may be a man of substance, and may do well enough abroad; but the case of the rest is deplorable. The rest either hire themselves to those of substance for passage, or contract with the masters of ships for four years' servitude when they come thither; or, if they make a shift to pay for their passage, will be under the necessity of selling themselves for servants when they come there.

The whole North is in a ferment at present, and people every day engaging one another to go next year to the West Indies. The humour has spread like a contagious distemper, and the people will hardly hear anybody that tries to cure them of their madness. The worst is, that it affects only Protestants, and reigns chiefly in the North, which is the seat of our linen manufacture.

This unsettled state puts almost a stop to trade, and the more so, as several who were in good credit before have taken up parcels of goods and disposed of them, and are gone off with the money, so that there is no trade there but for ready money.

We have had it much in consideration how to put some stop to this growing evil. We think, by some old laws, we can hinder money being carried abroad, and stop all but merchants, that have not a license, from going out of the kingdom.

By this post we have sent my Lord Lieutenant the representation of the gentlemen of the North, and the opinion of our lawyers what can be done by law to hinder people going abroad; but these are matters we shall do nothing in without directions from his Majesty. But whatever may be done by law, I feel it may be dangerous forcibly to hinder a number of needy people from quitting us.

The Plight of Indentured Servants, 1735

Dec. 8, HC. A petition of Robert Oliver, Margaret Bayly, spinster, John Mac-Cleary, David Wright, Elizabeth Wright, Mary Logan, Robert Mac-Crakan, and Esther Mac-Crakan, his wife, in behalf of themselves and several other Protestants, now unlawfully detained on board the *George* of Dublin, lying by the north-wall, in the river Liffey, near the city of Dublin, and bound for North Carolina, Thomas Cuming, and three of his brothers, supposed to be captain and owners, setting forth, that they and their families have been inveigled by the said Thomas Cuming, and by John Mac-Farren, now on board the said ship, to enter into contracts for transporting themselves and families to North Carolina, in America, and complaining, that since their entering on board the said ship, they have had great hardships and most inhuman cruelties put upon them by the said Cuming, and three of his brothers now on board, and expressing their apprehension, that the said Cuming, and his brothers, intend to transport the petitioners and their families, and the other persons inveigled on board, to the West-Indies, there to be sold by them as slaves, and praying this House will take their deplorable case into consideration, was presented to the House, and read.

Resolved, that an humble address be presented to his Grace the Lord Lieutenant, that he will be pleased to give directions for putting a stop to the ship called the *George* of Dublin's sailing out of this harbour.

Ordered, that such members of this House as

are of his Majesty's most honourable Privy Council do immediately attend his Grace the Lord Lieutenant with the said address, and lay the same before his Grace.

Ordered, that Thomas Cuming, master of the ship called the *George* of Dublin, do attend this House to-morrow morning, in custody of the serjeant at arms attending this House, to answer the said complaint.

Ordered, that John Mac-Farren do attend this House to-morrow morning, in custody of the serjeant at arms attending this House, to answer the said complaint.

Ordered, that Mr. Maxwell, master of the rolls, etc. or any three or more of them, be appointed a committee, to meet to-morrow morning, at nine o'clock, in the Speaker's Chamber, to examine the allegations of the said petition of Robert Oliver, and others; that they have power to send for persons, papers, and records, and to adjourn from time to time, and place to place, as they shall think fit; and report their proceedings, with their opinion thereupon, to the House, and that all members who come have voices.

Dec. 17, HC. Mr. Maxwell, from the committee appointed to take into consideration the petition of Robert Oliver and others, detained on board the ship called the *George* of Dublin, informed the House that he was directed by the commitee to acquaint the House, that they have summoned Beresford Beacon, Joseph Cummin, Robert Cummin, and John Cummin, to attend the said committee, and that they neglected to attend, and had withdrawn themselves.

Ordered, that the said Beresford Beacon be, for the said contempt, taken into the custody of the serjeant at arms attending this House.

Ordered, that the said Joseph Cummin be, for the said contempt, taken into the custody of the serjeant at arms attending this House.

Ordered, that the said Robert Cummin be, for the said contempt, taken into the custody of the serjeant at arms attending this House.

Ordered, that the said John Cummin be, for the said contempt, taken into the custody of the serjeant at arms attending this House.

1735/6

Feb. 28, HC. A petition of Robert Cumming, in custody of the serjeant at arms attending this House, for this contempt in not attending the committee appointed to take into consideration the petition of Robert Oliver, and others, according to their summons, expressing his sorrow for his offence, and praying to be discharged out of custody, was presented to the House, and read.

Ordered, that the said Robert Cumming be discharged out of custody.

Feb. 28, HC. Mr. Maxwell reported from the committee appointed to take into consideration the petition of Robert Oliver, and others, that they had come to a resolution, which he read in his place.

Feb. 28. HC. A petition of Daniel Byrne, Robert Mealey, and George Whiteside, setting forth, that they agreed with John Trimble, master of the ship called the *Two Friends*, of Dublin, now lying in the lough of Carlingford, to go as mariners in the said ship to Philadelphia; that the intended freight is passengers and servants, and accordingly the said master went to several adjacent towns, and prevailed on passengers to the number of about fourscore, and is still endeavouring to increase the number to upwards of two hundred; that the burden of the said ship is not above 120 tons, though advertised by the said master to be 150; that the scarcity of provisions (and they damaged) laid in for the said voyage, the great number of passengers, and the dangerous condition of the said ship, together with the information the petitioners have received of the ship's not being intended for the said voyage, but is insured for more than the worth, and would infallibly, in the sea-language, be knocked in the head, have obliged them to withdraw themselves from the said ship, and to lay their own and the said passengers case before this House, was presented to the House, and read.

Resolved, that an humble address be presented to his Grace the Lord Lieutenant, that he will be pleased to give directions for putting a stop to the ship the *Two Friends*, of Dublin, sailing out of the lough of Carlingford.

Mar. 3, HC. Mr. Maxwell reported from the committee appointed to take into consideration the petition of Robert Oliver, and others, passengers, unlawfully detained on board the ship called the *George* of Dublin, Thomas Cumming, master, the matter, as it appeared to them, and that they had come to several resolutions thereupon; which report and resolutions he read in his place, and after delivered at the table, where the same were again read, and agreed to by the House, and the resolutions are as follow:

Resolved, that it appears to your committee, that Thomas Cumming and his accomplices have been guilty of great barbarities and violence towards many Protestant passengers, seduced and taken by him on board the ship called the *George*, of Dublin, bound for North-Carolina, and that there is good reason from the scarcity of provisions, and other circumstances of his behaviour

on board the said ship, to believe that the said Cumming never intended to have carried such passengers thither.

Resolved, that it is the opinion of this committee, that there hath been, of late years, and still continues to be carried on a wicked and dangerous practice of seducing, by false representations and other deceitful artifices, the Protestant inhabitants of this kingdom into several parts of America, to the utter ruin of most of them, and detriment of his Majesty's government, and of the Protestant interest of this kingdom.

Resolved, that it is the opinion of this committee, that all persons who shall be any ways instrumental in promoting and carrying on such practices, are enemies to his Majesty's government, and the Protestant interest of this kingdom.

Resolved, that it is the opinion of this committee, that it is the duty of all magistrates, justices of the peace, and other persons, to use their utmost endeavours to prevent, suppress, and punish such wicked and pernicious practices.

Ordered, that the said report and resolutions be printed.

Mar. 3, HC. Report from the committee appointed to take into consideration the petition of Robert Oliver and others, passengers, unlawfully detained on board the ship, called the *George*, of Dublin, Thomas Cumming, master. . . .

Mr. Maxwell: Mr. Speaker, It appears to your committee, that a traffick has for some time past obtained, and seems to gain ground in this kingdom, by means of which it is yearly drained of multitudes of its laborious Protestant inhabitants, to the great prejudice of the nation in general, and to the irretrievable disappointment and ruin of almost every person thus deluded to forsake it; that the foundation of this traffick is the considerable, though most wicked gain, that arises to the undertakers, from the credulity of those on whom they practice. That to this end no artifice is left untried, that can possibly move the minds of poor misinformed people, greedy of novelty, and impatient of honest labour. An example of which appears in the case of your petitioner, which though an example in a single instance only, yet your committee have reason, from the course of the examination, to believe the case of many thousands thus spirited away, to be the same or worse.

It appeared to your committee, that some time in the month of August last, Thomas Cumming, master of the ship called the *George*, of Dublin, intending to sail for North-Carolina, sent Joseph Cumming, his brother, and John Mc. Farran, his brother-in-law, to several parts of the counties of Monaghan, Cavan, and Meath, to get passengers for said voyage, that accordingly they dispersed publick notice through the country, that said ship was bound for North-Carolina, and by themselves, or their emissaries, applied to several of the Protestant families of the country, whom they thought most likely to be seduced; and said Cumming and Mc. Farran represented to the examinants, and others, the great advantages they would get by going to North-Carolina, and among other arguments, that a common labourer would by easy labour gain 20*l.* a year, and others of them would get fifty acres of land for nothing. And Thomas, the master, soon after following them to that country, at the publick meeting-house, at Banbraghey, confirmed what had been so told them, assuring them of good treatment in their voyage, that he would trust them till they landed, and when asked, how they should get money there to pay him? he answered, they might easier borrow 60*l.* there, than 6*d.* here, and that they might with less difficulty get credit for a cow in North-America, than for a hen in this country: he told some that they would be put into farms, of which they would get half the profit for managing them; that their wives immediately upon landing would be put into dairies of as many cows as they could manage, and would have half of the produce, as well of the calves, as butter and cheese, for their labour. He assured David Wright, that he might earn 40*s.* sterling a month by easy labour, and told Robert Oliver, who is a linen weaver, that he would get a guinea sterling for weaving a ten hundred piece of cloth, which according to the labour of a good workman in linen of that sort, would produce above 100*l.* sterling a year. It was likewise represented as a most powerful and specious argument of persuasion, that they would have neither rent or tythes to pay in that country, and would live happily from the time they landed there.

It appears to your committee, that by these and other artifices and misrepresentations, they prevailed on many credulous people, who had before no thoughts of leaving the kingdom, to agree with the said Thomas Cumming for their passage to North-Carolina, and prevailed on others, who had no money to give, to sell themselves to pay for their passage thither, and the number of those they prevailed upon by these arts, amounted in the whole to seventy-two souls.

It likewise appears to your committee by the several articles of agreement between the passengers and said master produced to your committee, that from the time the said passengers were ordered up to town by the said master, they were to be supplied by him with good and sufficient provisions, both during the time the ship continued in

port here, and during their whole voyage, and that he was to take the first opportunity of sailing: but that contrary to their agreement many of them were ordered up to town by the said master five or six weeks before the ship was ready to sail, and during that time, after they had spent what money they had, in subsisting themselves and their families, were half starved on the scanty allowance given by the said master, who began, even in the port of this city, to exercise his tyranny over them, as by the following particulars of the provision allowed may appear.

It appears to your committee, that while the ship lay at the north wall in the river of Dublin, their provision was chiefly cows or ox heads, of which four or five together with a little oat-meal, of which they were to make bread for themselves, was the day's allowance among the whole number of seventy-two persons; and that on the days they were not allowed flesh-meat, burgoe or stirrabout, with half a pint of bad small beer, was all that was allowed to each man.

And it appears to your committee, by the testimony of Robert Oliver, that the passengers got oat-meal for bread, three or four days only, and that he got for himself, three passengers, and two children, but two quarts of oat-meal for two days.

When the ship fell down to Poolbegg, in the harbour of Dublin, and that they were now more in the master's power, by reason of their distance from land, they never had any supper, and often no dinner.

It appears to your committee, by the testimony of Daniel Allen, produced by the captain, who had by his orders divided the allowance of meat among the passengers, that on some days three pieces of beef, weighing seven pounds each, and on some days, three small pieces, weighing only three pounds each, (which your committee observe, is less than a quarter of a pound) which, together with one biscuit of about five to the pound, and half a pint of bad small beer to each passenger, was the whole subsistence allowed to the seventy-two passengers.

It appears to your committee, by the testimony of David Wright, and Robert Mc. Crackan, when the ship had got over the bar, and began to sail, and the wind had turned, that the captain in discourse with his brother, and some of the crew, was heard to say, if the wind does not serve for North-Carolina, it will for the West-Indies, (meaning the islands) where these fellows will sell well, that while the ship was at sea, some of the passengers were beaten and abused by Joseph Cumming, brother to the master, without any provocation, who, when some of the unhappy wretches were at prayers, to be relieved from the miseries they laboured under, cursed them, and asked, if they thought God would be troubled with their Presbyterian prayers, and in a high wind made use of this expression, blow devil, blow all these Presbyterians to hell. That during this short time they were at sea, many brutish insults were practised on the female passengers by the master, and his brothers, and many obscene expressions used by them, too indecent to be here reported.

It appears further to your committee, that on the said ship's being forced into port by contrary winds, and coming to an anchor near Ring's-End, many of the passengers terrified by the ill-treatment they had already met with, and resolving not to prosecute their voyage, some of them found means to come a-shore, and four of them by the advice of their friends, applied to the court of Admiralty against the said master, who had broke his agreement with them, and detained their goods on board, that thereupon the judge of that court had the ship arrested, and appointed a day for hearing the complaint, and that before the day of hearing, the said master managed matters so well, by the assistance and contrivance of Patrick Kent, as to get two of the complainants arrested, and the other two were so terrified, that they durst not appear at the hearing; one of the persons then arrested, being Robert Oliver, his case appears to your committee to stand thus:

Said Oliver came to an agreement in the country with Joseph, the said captain's brother, for his own and family's passage, for 12*l.* for which sum, said Joseph insisted on having his promissory note, which Oliver objecting to, and saying, perhaps he might change his mind and not go, said Joseph told him he must have his note to shew to others, but said he would give him a defeazance, so that it should not affect him, but the paper given him being produced to your committee, appeared to be no more than a receipt for so much money for his passage. That on Oliver's coming to Dublin, the master, Thomas Cumming, got from him 6*l.* in money, and his note for 11*l.* more, sterling money, to be paid on his landing. It appears, that on Oliver's paying the 6*l.* and giving the second note for 11*l.* (though the whole money, first agreed on for his passage, was but 12*l.*) he demanded his first note of 12*l.* to be given up to him, but was told it was lost; however, on Oliver's complaining to the court of Admiralty, it appears to your committee, that the said 12*l.* note was assigned to Patrick Kent, (whom your committee find to be deeply engaged in the artifice and management of this whole affair,) who had Oliver ar-

rested on it the day before the hearing was to be in the court of Admiralty, whereby he effectually defeated him of the relief he there expected, and on examining Oliver, it appears he had no thoughts of removing himself or family to any of the plantations, having a good settlement here (to wit) a bleach-yard and four looms at work, on which he comfortably maintained his family, till by the crafty insinuations and false representations of the said master, and his brothers, he was prevailed on to sell what he had, and put himself and family into the hands of the said master, who, as it appears to your committee, after he had stripped him of all he had, got him laid in a gaol for complaining.

Your committee, on examining James Mc. Farran, find his case so extraordinary an instance of the indirect means used by the captain and his brothers, to inveigle these poor innocent people, that they think it proper to report it particularly. James Mc. Farran, a man of about seventy years of age, had but one son, eighteen years old, who was the support of him and his family, whom Joseph, brother to the present captain, inveigled about a year ago, from his father, against his consent, and carried him to North-Carolina: on said Joseph and brother's return to this kingdom, Robert, another of the said captain's brothers, applied to said James Mc. Farran, and represented to him, that his son was in a thriving way in North-Carolina, and in a condition to support him in his old age, which induced the poor man to quit his settlement, and to agree for a passage for himself and two daughters; but it now appears to your committee, by the confession of Thomas the captain, on his being examined, that the said son on his landing in North-Carolina, was sold to pay his passage, and so far from being able to support his aged father, as was represented to him, that there are still some years unexpired of his own slavery. And it appears to your committee, that said captain broke several agreements made in the country by his brothers, to extort more money from the passengers after they had quitted their settlements, and brought up their families to Dublin, as in the case of David Wright, who agreed in the country with Mc. Farran, the captain's brother-in-law, for the passage of himself and family at 6*l.* for each person, but on said Wright's coming to town, the captain refused to make good that agreement, and obliged said Wright to make a new bargain at the rate of 8*l.* for each person: and said captain being asked, why he dealt so hardly by Wright after he had quitted his house and land, and brought up his family on the agreement made with Mc. Farran, his brother-in-law? his answer to your committee was this, that Wright had no money to give him, and that he had rather have 4*l.* paid here, than 8*l.* in North-Carolina, every thing there being excessive dear, which your committee observe is directly contrary to the representations made to these deluded people by the captain and his brothers.

The master, Thomas Cumming, being examined concerning his intent in going down to the country, and sending his brothers there, denied that he went or sent them there to get passengers. When asked for what purpose he went to the publick meeting, he confessed, it was to deliver letters he had brought from North-Carolina, but refused to discover to your committee to whom those letters were directed, or the purport of them, or why he was so industrious and careful in the delivery of them. Being asked what he loaded his ship with back, he could name nothing but linen-cloth, when it appears to your committee, that he had only to the value of twelve or fourteen pounds of that commodity on board, though his ship is ninety tons burthen. Being asked, what number of passengers he had on board to carry off with him, he owned no more than thirty; though his mate, being after examined, confessed there were seventy-two persons, of which he gave in a list of the names to your committee. Being asked what he intended to do with those who bound themselves to him as servants for a term of years; owned he was to sell them there. Being asked what he was usually given per head by those that bought them, said he generally got about thirty-five barrels of pitch or turpentine, worth of our money 3*s.* 6*d.* or 4*s.* per barrel. Being then asked what he purposed to do in North-Carolina with the passengers who had not money to pay their passage? to this he would give no direct answer, though often thereunto pressed by your committee. But your committee find on the examination of Doctor Brickell (who lived several years in North-Carolina, and appeared to your committee to be a person of integrity and understanding) and others, that the custom there is to sell such as have not money to pay their passage, or are otherwise in debt, and that often both man and wife and their children are sold by the master to pay their passage, that some of the women are used as servants in the houses of those that buy them, and others set to work at the hoe in the field with the negroes, that the buyer has an absolute property in them for the time they are sold to him, beats and chastises them at pleasure, and sometimes neck-yoakes them, has a right to sell or assign them from one to another, as we do here our cattle: that the planters there are more careful of the negroes,

because they are their property for life, but don't take so much care of their white slaves, in regard they are their property for a term of years only. That at the end of their servitude they are intituled, by the custom of the country, to ten bushels of corn, an axe, a bow, and fifty acres of land, but the land set out for them lies often two hundred miles within the country next to the Indians, wild and covered with wood, which they are no way in a condition to reclaim, and is really of so little value where it lies, that fifty acres have often been sold for a pound of tobacco, worth in that country about three farthings.

And yet it appears to your committee, on examining several of those poor deluded people, that the land, to be set out to them in America, was represented by the master and his brothers to be of equal or greater value than the lands they were here possessed of.

And your committee were further informed of what those poor people were no way apprized of, (*viz.*) that by the laws of the colonies, if any of the people sold for a term of four years, should run in debt during their first servitude, though for the necessaries of life, which are often for that purpose with-held from them by their cruel masters, they are liable to a second sale for another four years to pay that debt, and so from four years to four years, may be continued slaves during their lives.

And though your committee cannot but compassionate the hard usage their fellow-subjects meet with when transported to North-Carolina, yet, upon inquiry they do not find that their treatment there is worse, than in the other colonies of the West-Indies, to which of late, too many have been unhappily seduced.

And it appears to your committee, on examining several of those prevailed on to bind themselves to said master as servants for a term of years, that he had agreed to give each of them two complete new suits of clothes before they left Dublin, but had given none to any of them, though he had actually sailed. And on viewing several of the indentures produced to your committee, signed by the master and the persons bound to him, your committee observe, there was a blank in the place where the number of years should have been mentioned, (from which considering his behaviour during the whole transaction,) there is reason to suspect, that the said master intended to have filled up these blanks afterwards with what number of years he pleased. And to give a better colour to what he did, the printed city indentures, with the city arms to them, were procured by said Patrick Kent, and made use of for that purpose, without ever applying to the Lord Mayor, to have them bound in the usual form. Your committee beg leave to observe, that these seducers not only inveigle many unwary people, but give a receptacle to criminals to withdraw from justice, an instance whereof appeared to your committee in James Mc. Clearen, indicted for the murder of William Hamilton, Esq: his late master, who your committee find to have been for some time concealed on board said ship, where he was lately apprehended. It appears further to your committee, by the Custom-House entry of provisions on board the said ship, that if they had not a quick passage, and in less time than is generally made, many of the passengers must have perished for want of provisions.

Your committee have reason to believe, that they could have made a further discovery of the iniquitous practices made use of to seduce and injure these poor people, but that they were obstructed therein, by the withdrawing of some of the brothers and accomplices of said master, who have concealed themselves to avoid being examined by your committee.

Personal Narratives

I.

Chester Township the —— of the 10th Mo. 1725.

DEAR SISTER MARY VALENTINE:

This goes with a Salutation of Love to thee, Brother Thomas and the children & in a word to all friends, Relations & well Wishers in Generall as if named, hoping it may find you all in good health, as I with all our family in Generall are in at this present writing & has been since our arival, for we have not had a day's Sickness in the Family Since we came in to the Country, blessed be God for it. My father in Particular has not had his health better these ten years than Since he Came here, his ancient age considered. Our Irish Acquaintance in general are well Except Thoe: Lightfoot who Departed this Life at Darby in a Good old age About 4 weeks Since. Thee writes in thy Letter that there was a talk went back to Ireland that we were not Satisfyed in coming here, which was Utterly false: now let this Suffice to Convince you. In the first place he that carried back this Story was an Idle fellow, & one of our Ship-Mates, but not thinking this country Suitable

to his Idleness, went back with Cowman again. He is Sort of a Lawyer, or Rather a Lyar as I may term him, therefore I wod not have you give credit to Such false reports for the future, for there is not one of the family but what likes the country very well & wod If we were in Ireland again come here Directly it being the best country for working folk & tradesmen of any in the world. But for Drunkards and Idlers, they cannot live well any where. It is likewise an Extradin. healthy country. We were all much troubled when we found you did not come in with Capt. Cowman as we Expected nor none of our acquaintance Except Isaac Jackson & his family, tho at his coming in one thinks it Something odd, but that is soon over. Land is of all Prices Even from ten Pounds, to one hundred Pounds a hundred, according to the goodness or else the situation thereof, & Grows dearer every year by Reason of Vast Quantities of People that come here yearly from Several Parts of the world, therefore thee & thy family or any that I wish well I wod desire to make what Speed you can to come here the Sooner the better. We have traveled over a Pretty deal of this country to seek the Land, & [though] we met with many fine Tracts of Land here & there in the country, yet my father being curious & somewhat hard to Please Did not buy any Land until the Second day of 10th mo: Last and then he bought a Tract of Land consisting of five hundred Acres for which he gave 350 pounds. It is Excellent good land but none cleared, Except about 20 Acres, with a small log house and Orchard Planted, we are going to clear some of it Directly, for our next Sumer's fallow. We might have bought Land much Cheaper but not so much to our Satisfaction. We stayed in Chester 3 months & then we Rented a Place 1 mile from Chester, with a good brick house & 200 Acres of Land for [—] pound a year, where we continue till next May. We have sowed about 200 Acres of wheat & 7 acres of rye this season. We sowed but a bushel on an acre, 3 pecks is Enough on new ground. I am grown an Experienced Plowman & my brother Abell is Learning. Jonathan & thy Son John drives for us. He is grown a Lusty fellow Since thou Saw him. We have the finest plows here that Can be. We plowed up our Sumer's fallows in May & June, with a Yoak of Oxen & 2 horses & they goe with as much Ease as Double the number in Ireland. We sow our wheat with 2 horses. A boy of 12 or 14 years old Can hold Plow here, a man Comonly holds & Drives himself. They plow an Acre, nay some Plows 2 Acres a day. They sow Wheat & Rye in August or September. We have had a crop of oats, barley & very good flax & hemp, Indian Corn & buckwheat all of our own Sowing & Planting this last summer. We also planted a bushel of white Potatoes Which Cost us 5 Shills. & we had 10 or 12 bushels Increase. This country yields Extraordinary Increase of all sorts of Grain Likewise—for nicholas hooper had of 3 Acres of Land & at most 3 bushels of Seed above 80 bushels Increase so that it is as Plentifull a Country as any Can be if people will be Industrious. Wheat is 4 Shills. a bushel, Rye 2s. 9d., oats 2.3 pence, barley 3 Shills., Indian Corn 2 Shills. all Strike measure, Beef is 2½ pence a pound; Sometimes more Sometimes less, mutton 2½, pork 2½ pr. pound. Turnips 12 pence a bushell heap'd measure & so Plenty that an acre Produceth 200 bushells. All Sorts of Provisions are Extraordinary Plenty in Philadelphia market, where Country people bring in their comodities. Their markets are on 4th day and 7th day. This country abounds in fruit, Scarce an house but has an Apple, Peach & cherry orchard. As for chestnuts, Wallnuts, & hasel nuts, Strawberrys, Billberrys & Mulberrys they grow wild in the woods and fields in Vast Quantities. They also make great Preparations against harvest; both Roast & boyled, Cakes & Tarts & Rum, stand at the Lands End, so that they may Eat and Drink at Pleasure. A Reaper has 2 Shills. & 3 pence a day, a mower has 2 Shills. & 6 pence & a pint of Rum beside meat & drink of the best; for no workman works without their Victuals in the bargain throughout the Country. A Laboring man has 18 or 20 pence a day in Winter. The Winters are not so cold as we Expected nor the Sumers so Extreme hot as formerly, for both Sumer and Winter are moderater than they ever were known. In Sumer time they wear nothing but a Shirt & Linnen drawers Trousers, which are breeches and stockings all in one made of Linnen; they are fine Cool wear in Sumer. As to what thee writt about the Governours Opening Letters it is Utterly false & nothing but a Lye & any one Except bound Servants may go out of the Country when they will & Servants when they Serve their time may Come away If they please but it is rare any are such fools to leave the Country Except men's business require it. They pay 9 Pounds for their Passage (of this money) to go to Ireland. There is 2 fairs, yearly & 2 markets weekly in Philadelphia also 2 fairs yearly in Chester & Likewise in new castle, but they Sell no Cattle nor horses, no living Creatures, but altogether Merchant's Goods, as hatts, Linnen & woolen Cloth, handkerchiefs, knives, Scizars, tapes & treds buckels, Ribonds & all Sorts of necessarys fit for our wooden Country & here all young men and

women that wants wives or husbands may be Supplyed. Lett this Suffice for our fairs. As to meetings they are so plenty one may ride to their choice. I desire thee to bring or Send me a bottle of good Oyle fit for guns, thee may buy it in Dublin. Martha Weanhouse Lives very well about 4 miles from James Lindseys. We live all together since we Came into the Country Except hugh Hoaker [or Stoaker] & his family who lives 6 or 7 miles from us, & follows his trade. Sister Rebecka was Delivered of a Daughter ye — day the 11 month Last past; its name is mary. Abel's wife had a young Son 12 months Since; his name is Thomas. Dear Sister I wod not have thee Doupt the truth of what I write, for I know it to be true Tho I have not been long here. I wod have you Cloath yourselves well with Woolen & Linnen, Shoes & Stockings & hats for Such things are dear hear, & yet a man will Sooner Earn a suit of Cloths here than in Ireland, by Reason workman's Labour is so Dear. A wool hat costs 7 Shills., a pair of men's Shoes 7 Shills., wemen's Shoes Cost 5 Shills. and 6 pence, a pair of men's stockings yarn Costs 4 Shills., feather beds are very dear here and not to be had for money. Gunpowder is 2 Shills. & 6 pence a pound. Shott & Lead 5 pence a pound. I wod have you bring for your own Use 2 or 3 good falling Axes, a pair of beetle rings & 3 Iron wedges, for they are of good Service here. Your Plow Irons will not answer here, therefore you had better bring 1 or 2 hundred Iron. You may bring your Plow Chains as they are also a good —— Iron. Letters going to you with these gives you Accompt what to bring into the Country & also for your Sea Store or else I should not omitt it. But be sure you come with Capt Cowman & you will be well Used for he is an honest man & has as Civell Saylors as any that Cross the Seas, which I know by Experience. The Ship has been weather bound Since before Christmas by reason of post & Ice that floats about the River & the Saylers being at a Loose End Came down to Chester to See us & we have given them—— Dear Sister I desire thee may tell my old friend Samuel Thornton that he could give so much credit to my words & find no Iffs nor ands in my Letter, that in Plain terms he could not do better than to Come here, for both his & his wife's trade are Very good here. The best way for him to do is to pay what money he Can Conveniently Spare at that side & Engage himself to Pay the rest at this Side & when he Comes here if he Can get no friend to lay down the money for him, when it Comes to the worst, he may hire out 2 or 3 children. & I wod have him Cloath his family as well as his Small Ability will allow. Thee may tell him what things are proper to bring with him both for his Sea Store & for his Use in this Country. I wod have him Procure 3 or 4 Lusty Servants & Agree to pay their passage at this Side he might sell 2 & pay the others' passage with the money. I fear my good will to him will be of Little Effect by reason he is So hard of beleif, but thou mayest Assure him from me that if I had not a particular Respect for him & his family I Should not have writ so much for his Encouragement. His brother Joseph & Moses Coats Came to See us Since we came here. They live about 6 or 7 miles apart & above 20 miles from where we live. Unkle James Lindly & Family is well & Thrives Exceedingly, he has 11 children & Reaped last harvest about 800 bushels of wheat, he is a thriving man as any where he lives, he has a thousand acres of Land, A fine Estate. Unkle Nicholas hooper lives very well. He rents a Plantation & teaches School & his man does his Plantation work, Murtha Hobson. Dear Sister I think I have writ the most needfol to thee, but considering that when I was in Ireland I never thought a Letter to Long that Came from this Country, I wod willingly give thee as full an Account as Possible, tho I could have given thee a fuller Account of what things are fit to bring here, but only I knew other Letters might Suffice in that point. I desire thee may Send or bring me 2 hundred Choice Quills for my own Use for they are very Scarce here, & Sister Raichell Desires thee wod bring hir Some bits of Silk for trashbags. Thee may bring them in Johns Zane [or Lane] also — yards of white Mode or Silk for 2 hoods & She will pay thee when thee comes here. I wod have brother Thomas to bring a good new Saddle (& bridle) with Croopper & Housen to it by reason the horses sweat in hot weather, for they are very dear here. A Saddle that will cost 18 or 20 Shills. In Ireland will cost here 50 Shills. or 3 pounds & not so good neither, he had better get Charles Howell to make it, Lett the tree be well Plated & Indifferent Narrow for the horses here are [not] So Large as in Ireland, but the best racers & finest Pacers in the World. I have known Several that could Pace 14 or 15 miles in an hour, I write within Compass. As for women Saddles they will not Suit so well here. I wod not have thee think much at my Irregular way of writing by reason I write as it offer'd to me, for they that write to you should have more wits than I can Pretend to. [Robert Parke]

2.

We went on shipboard the 14th of September, and lay wind-bound in the Lough at Belfast 14

days. The second day of our sail my grandmother died, and was interred in the raging ocean, which was an afflictive sight to her offspring. We were sorely tossed at sea with storms, which caused our ship to spring a leak: our pumps were kept incessantly at work day and night; for many days our mariners seemed many times at their wits' end. But it pleased God to bring us all safe to land, which was about the first of December.

We landed in Charleston three weeks before Christmas. We found the inhabitants very kind. We staid in town until after Christmas, and were put on board of an open boat, with tools and a year's provisions [the customary bounty to immigrants], and one still-mill. They allowed each hand upwards of sixteen, one axe, one broad hoe, and one narrow hoe. Our provisions were Indian corn, rice, wheaten flour, beef, pork, rum, and salt. We were much distressed in this part of our passage. As it was the dead of winter, we were exposed to the inclemency of the weather day and night; and (which added to the grief of all pious persons on board) the atheistical and blasphemous mouths of our Patroons and the other hands. They brought us up as far as Potatoe Ferry and turned us on shore, where we lay in Samuel Commander's barn for some time, and the boat wrought her way up to "the King's Tree," with the goods and provisions, which is the first boat that I believe ever came up so high before.

While we lay at Mr. Commander's, our men came up in order to get dirt houses to take their families to. They brought some few horses with them. What help they could get from the few inhabitants in order to carry the children and other necessaries up they availed themselves of. As the woods were full of water, and most severe frosts, it was very severe on women and children. We set out in the morning; and some got no further that day than Mr. McDonald's and some as far as Mr. Plowden's; some to James Armstrong's, and some to Uncle William James's. [These were emigrants who had preceded Witherspoon, in the first emigration.] . . . Their little cabins were as full that night as they could hold, and the next day every one made the best they could to their own place, which was the first day of February, 1735. My father had brought on shipboard four children, viz.: David, Robert, John, and Sarah. Sarah died in Charleston, and was the first buried at the Scotch Meeting House graveyard. When we came to the Bluff, my mother and we children were still in expectation that we were coming to an agreeable place. But when we arrived and saw nothing but a wilderness, and instead of a fine timbered house, nothing but a mean dirt house, our spirits quite sank; and what added to our trouble, our pilot we had with us from Uncle William James's left us when we came in sight of the place.

My father gave us all the comfort he could by telling us we would get all those trees cut down, and in a short time there would be plenty of inhabitants, so that we could see from house to house. While we were at this, our fire we brought from Bog Swamp went out. Father had heard, that up the river-swamp was the "King's Tree," although there was no path, neither did he know the distance. Yet he followed up the swamp until he came to the branch, and by that found Roger Gordon's. We watched him as far as the trees would let us see, and returned to our dolorous hut, expecting never to see him or any human person more. But after some time he returned and brought fire. We were soon comforted, but evening coming on, the wolves began to howl on all sides. We then feared being devoured by wild beasts, having neither gun nor dog nor any door to our house. Howbeit we set to and gathered fuel, and made on a good fire, and so passed the first night. The next day being a clear warm morning, we began to stir about, but about mid-day there rose a cloud southwest attended with a high wind, thunder and lightning. The rain quickly penetrated through between the poles and brought down the sand that covered them over, which seemed to threaten to bury us alive. The lightning and claps were very awful and lasted a good space of time. I do not remember to have seen a much severer gust than that was. I believe we all sincerely wished ourselves again at Belfast. But this fright was soon over and the evening cleared up, comfortable and warm.

The boat that brought up the goods arrived at "the King's Tree." People were much oppressed in bringing their things, as there was no house there. They were obliged to toil hard, and had no other way but to convey their beds, clothing, chests, provisions, tools, pots, etc., on their backs. And at that time there were few or no roads and every family had to travel the best way they could, which was here double distance to some, for they had to follow swamps and branches for their guides for some time.

After a season, some men got such a knowledge of the woods as to "blaze" paths, so the people soon found out to follow "blazes" from place to place. As the winter season was far advanced, the time to prepare for planting was very short. Yet people were very strong and healthy, all that could do anything wrought diligently, and continued clearing and planting as long as the season

would admit, so that they made provision for the ensuing year. As they had but few beasts, a little served them, and as the range was good, they had no need of feeding creatures for some years.

I remember that among the first things my father brought from the boat was his gun, which was one of Queen Anne's muskets. He had it loaded with swan-shot. One morning when we were at breakfast, there was a "travelling 'possum" on his way, passing by the door: my mother screamed out saying, "There is a great bear!" Mother and we children hid ourselves behind some barrels and a chest, at the other end of our hut, whilst father got his gun, and steadied it upon the fork that held up that end of the house, and shot the animal about the hinder parts, which caused the poor opossum to grin and open its mouth in a frightful manner. Father was in haste to give it a second bout, but the shot being mislaid in a hurry, could not be found. We were penned up for some time. Father at length ventured out and killed it with a pale.

Another source of alarm was the Indians. When they came to hunt in the spring, they were in great numbers in all places like the Egyptian locusts, but they were not hurtful. We had a great deal of trouble and hardships in our first settling, but the few inhabitants continued still in health and strength. Yet we were oppressed with fears, on divers accounts, especially of being massacred by the Indians, or bitten by snakes, or torn by wild beasts, or being lost and perishing in the woods. Of this last calamity there were three instances.

About the end of August, 1736, my uncle Robert arrived here. The ship he came in was called *New Built*. She was a ship of great burden, and brought many passengers. They chiefly came up here, and, obliged to travel by land, they had money given them by the public instead of provisions. Our second crop was in the ground when they came. As it was in the warm season, they were much fatigued in coming up, and many were taken with the fever and ague. Some died with that disorder, and many after the ague had ceased grew dropsical and died. About this time people began to form into societies, and sent to Ireland for a minister. One came named Robert Heron. He stayed three years, and then returned to Ireland. [Robert Witherspoon]

AMERICAN VALUES

RELIGIOUS LIBERTIES

In the *Bloudy Tenent of Persecution*, Williams carries the argument for religious freedom well beyond Locke's theory of toleration. Locke did not exclude a state-supported church from his plan but demanded only that it refrain from persecution and the maintenance of a doctrinal system so rigid as to bar the body of the nation from conscientious participation in its worship. To Williams, as to Gerrard Winstanley before him, all forms of church establishment were intrinsically offensive.

Roger Williams (1603–1662/3) came to that opinion after experience with church establishments in England and in Puritan Massachusetts. Williams's father was a successful London businessman who gave his son a training befitting his station. The patronage of Sir Edward Coke increased Williams's opportunities. But the tensions of his time drew him to Puritan views which he expressed freely enough to make emigration seem the part of wisdom when King and archbishop joined to impose uniformity of religious practice in 1629. After a few years in Massachusetts, Roger Williams discovered that dissenters who hold power are apt to use it against those who differ from them. The Salem church chose Williams its teacher in 1634, however, and, when the magistrates refused to confirm that choice, Salem town defied the magistrates. Williams was banished from Massachusetts Bay the following year. Three years later, Williams abandoned membership in any church and became a Seeker, waiting for a higher power to give him spiritual conviction.

In the settlement which Williams founded on Rhode Island, he established a system of land ownership more democratic than that which prevailed in Massachusetts, where the "town proprietors" owned the land and exercised the suffrage to the exclusion of the body of "inhabitants." Williams solved the problem of the proper relation between civil and religious authority by severing all connection between them. In dealing with the more immediate problem of the Indians, Williams worked for a policy of justice toward the first owners of the soil. The existence of Williams's colony was threatened by its more powerful neighbor in Massachusetts at the beginning of the 1640s. Though it was not in accordance with his principles, Williams asked the English government to charter his colony. He returned to England to press his request and finally, in 1644, secured the grant he desired. It was then that Williams published the *Bloudy Tenent of Persecution*, which defends his view of the relation that should exist between Church and State against the ideals prevailing in England and Massachusetts alike.

Before and after the issue of Williams's charter, Massachusetts notables waged polemic conflict against his doctrines—one of them even answered Williams's argument for toleration in a pamphlet called, *Mr Williams's Bloudy Tenent of Persecution Washed White in the Blood of the Lamb*. Williams replied by maintaining his views in practice and by writing treatises in rebuttal, notably, the *Bloudy Tenent Still More Bloudy*. . . .

In his original work, Williams contends that Scripture gives no countenance to persecution for cause of conscience. God does not require uniformity of church practice enforced by a civil magistrate. Like Locke, Williams insists that the civil power attain its ends by political means, while the church limit itself to ecclesiastical measures. As magistrates have no right to

interfere in church government, so the clergy have no call to meddle with the magistracy. Williams proceeds further, however. Civil power resides in the people, and the government they set up holds power only so long as the people trust it. Yet, even such magistrates have no power over the church, for, if they did, heavenly concerns would be subject to earthly rule, an evident absurdity. Complete separation between civil and religious power is the logical conclusion. Williams has come full circle to maintain the view that, in America at least, the "two keys" are not to be held by the one authority.

The selections from Roger Williams's *Bloudy Tenent of Persecution* (London, 1644) are taken from the *Publications of the Narragansett Club*, Vol. III (Newport, R.I., 1867).

Bloudy Tenant of Persecution

BY ROGER WILLIAMS

PREFACE

FIRST, That the blood of so many hundred thousand soules of *Protestants* and *Papists*, spilt in the *Wars* of *present* and *former Ages*, for their respective *Consciences*, is not *required* nor *accepted* by *Jesus Christ* the *Prince* of *Peace*.

Secondly, Pregnant *Scriptures* and *Arguments* are throughout the Worke proposed against the *Doctrine* of *persecution* for *cause* of *Conscience*.

Thirdly, Satisfactorie Answers are given to *Scriptures*, and objections produced by Mr. *Calvin*, *Beza*, Mr. *Cotton*, and the Ministers of the New English Churches and others former and later, tending to prove the *Doctrine of persecution* for cause of *Conscience*.

Fourthly, The *Doctrine of persecution* for cause of *Conscience*, is proved guilty of all the *blood* of the *Soules* crying for *vengeance* under the *Altar*.

Fifthly, All *Civill States* with their *Officers* of *justice* in their respective *constitutions* and *administrations* are proved *essentially Civill*, and therefore not *Judges*, *Governours* or *Defendours* of the *Spirituall* or *Christian state* and *Worship*.

Sixtly, It is the will and command of *God*, that (since the comming of his Sonne the *Lord Jesus*) a *permission* of the most *Paganish*, *Jewish*, *Turkish*, or *Antichristian consciences* and *worships*, bee granted to *all* men in all *Nations* and *Countries:* and they are onely to bee *fought* against with that *Sword* which is only (in *Soule matters*) *able* to *conquer*, to wit, the *Sword of Gods Spirit*, the *Word* of *God*.

Seventhly, The *state* of the Land of *Israel*, the *Kings* and *people* thereof in *Peace* & *War*, is proved *figurative* and *ceremoniall*, and no *patterne* nor *president* for any *Kingdome* or *civill state* in the *world* to follow.

Eightly, *God* requireth not an *uniformity* of *Religion* to be *inacted* and *inforced* in any *civill state;* which inforced *uniformity* (sooner or later) is the greatest occasion of *civill Warre*, *ravishing* of *conscience*, *persecution* of *Christ Jesus* in his servants, and of the *hypocrisie* and *destruction* of *millions* of *souls*.

Ninthly, In holding an inforced *uniformity* of *Religion* in a *civill state*, wee must necessarily *disclaime* our desires and hopes of the *Jewes conversion* to *Christ*.

Tenthly, An inforced *uniformity* of *Religion* throughout a *Nation* or *civill state*, confounds the *Civill* and *Religious*, denies the principles of Christianity and civility, and that *Jesus Christ* is come in the Flesh.

Eleventhly, The permission of other *consciences* and *worships* then a state professeth, only can (according to God) procure a firme and lasting *peace*, (good *assurance* being taken according to the *wisdome* of the *civill state* for *uniformity* of *civill obedience* from all forts.)

Twelfthly, lastly, true *civility* and *Christianity* may both flourish in a *state* or *Kingdome*, notwithstanding the *permission* of divers and contrary *consciences*, either of *Jew* or *Gentile*.

CHAPTER XCII: PEACE

The 4. head is, The proper meanes of both these Powers to attaine their ends.

"First, the proper meanes whereby the Civill Power may and should attaine its end, are onely Politicall, and principally these Five.

"First the erecting and establishing what forme of Civill Government may seeme in wisedome most meet, according to generall rules of the Word, and state of the people.

"Secondly, the making, publishing, and establishing of wholesome Civill Lawes, not onely such as concerne Civill Justice, but also the free

passage of true Religion: for, outward Civill Peace ariseth and is maintained from them both, from the latter as well as from the former:

"Civill peace cannot stand intire, where Religion is corrupted, 2 *Chron.* 15. 3. 5. 6. *Judg.* 8. And yet such Lawes, though conversant about Religion, may still be counted Civill Lawes, as on the contrary, an Oath doth still remaine Religious, though conversant about Civill matters.

"Thirdly, Election and appointment of Civill officers, to free execution of those Lawes.

"Fourthly, Civill Punishments and Rewards, of Transgressors and Observers of these Lawes.

"Fifthly, taking up Armes against the Enemies of Civill Peace.

"Secondly, the meanes whereby the Church may and should attaine her ends, are only ecclesiasticall, which are chiefly five.

"First, setting up that forme of Church Government only, of which Christ hath given them a pattern in his Word.

"Secondly, acknowledging and admitting of no Lawgiver in the Church, but Christ, and the publishing of his Lawes.

"Thirdly, Electing and ordaining of such officers onely, as Christ hath appointed in his Word.

"Fourthly, to receive into their fellowship them that are approved, and inflicting Spirituall censures against them that offend.

"Fifthly, Prayer and patience in suffering any evill from them that be without, who disturbe their peace.

"So that Magistrates, as Magistrates, have no power of setting up the Forme of Church Government, electing Church officers, punishing with Church censures, but to see that the Church doth her duty herein. And on the other side, the Churches as Churches, have no power (though as members of the Commonweale they may have power) of erecting or altering formes of Civill Government, electing of Civill officers, inflicting Civill punishments (no not on persons excommunicate) as by deposing Magistrates from their Civill Authoritie, or withdrawing the hearts of the people against them, to their Lawes, no more then to discharge wives, or children, or servants, from due obedience to their husbands, parents, or masters: or by taking up armes against their Magistrates, though he persecute them for Conscience: for though members of Churches who are publique officers also of the Civill State, may suppresse by force the violence of Usurpers, *as Iehoiada* did *Athaliah*, yet this they doe not as members of the Church, but as officers of the Civill State."

Truth. Here are divers considerable *passages* which I shall briefly examine, so far as concernes our *controversie.*

First, whereas they say, that the *Civill Power* may erect and establish what *forme* of *civill Government* may seeme in *wisdome* most meet, I acknowledge the *proposition* to be most true, both in it self, and also considered with the end of it, that a *civill Government* is an *Ordinance* of *God*, to conserve the *civill peace* of people, so farre as concernes their *Bodies* and *Goods*, as formerly hath beene said.

But from this *Grant* I infer, (as before hath been touched) that the *Soveraigne*, *originall*, and *foundation* of *civill power* lies in the *people*, (whom they must needs meane by the *civill power* distinct from the *Government* set up.) And if so, that a People may erect and establish what *forme* of *Government* seemes to them most meete for their *civill condition:* It is evident that such *Governments* as are by them erected and established, have no more *power*, nor for no longer time, then the *civill power* or people consenting and agreeing shall betrust them with. This is cleere not only in *Reason*, but in the experience of all *commonweales*, where the people are not deprived of their *naturall freedome* by the power of *Tyrants.*

And if so, that the Magistrates receive their power of governing the Church, from the People; undeniably it followes, that a *people*, as a *people*, naturally considered (of what *Nature* or *Nation* soever in *Europe*, *Asia*, *Africa* or *America*) have fundamentally and originally, as men, a power to governe the *Church*, to see her doe her *duty*, to correct her, to redresse, reforme, establish, &c. And if this be not to pull *God* and *Christ*, and *Spirit* out of *Heaven*, and subject them unto *naturall*, sinfull, inconstant men, and so consequently to *Sathan* himselfe, by whom all *peoples* naturally are guided, let *Heaven* and *Earth* judge.

Peace. It cannot by their owne *Grant* be denied, but that the *wildest Indians* in *America* ought (and in their kind and severall degrees doe) to agree upon some *formes of Government*, some more *civill*, compact in Townes, &c. some lesse. As also that their *civill* and *earthly Governments* be as lawfull and true as any *Governments* in the *World*, and therefore consequently their *Governors* are *Keepers* of the *Church* or both *Tables*, (if any Church of Christ should arise or be amongst them:) and therefore lastly, (if *Christ* have betrusted and charged the *civill* Power with his *Church*) they must [138] judge according to their *Indian* or *American consciences*, for other *consciences* it cannot be supposed they should have.

THE LAND OF OPPORTUNITY

BETWEEN Daniel Defoe's *Giving Alms No Charity* and Benjamin Franklin's *Observations Concerning the Increase of Mankind* lie forty-seven years; but the distance, spiritually and materially, between the lower middle-class Englishman and the American, who might have occupied a similar position had his forebears remained on the eastern shore of the Atlantic, is immense. Like Defoe, Benjamin Franklin (1706–1790) regards an increase of population as an advantage to a nation. Unlike him, Franklin expected that population to live in comfort, for American manners were simple, land cheap and wages high, thus prompting early marriage, the growth of families and, with them, the development of a "glorious market" for British manufactures. There is no talk of legislation to improve the morals of the "lower orders" in Franklin's essay—*Poor Richard* had already been published. His speculations on the law of population imply that that population was to be composed of freehold farmers and small handicraftsmen who were to live comfortably, though frugally, working for their own benefit rather than to support the luxury of their superiors.

Franklin was forty-five when the *Observations* was written, in 1751; he had completed his early training as a printer's journeyman in Boston, Philadelphia and London. He had accumulated a competence and retired from business to give his time to study and public affairs. Before that, Franklin had made himself a reputation as a pamphleteer, become deputy postmaster and founded a volunteer fire company, a Philosophical Society and an academy for improving the education of youth. He had invented the Franklin fireplace, helped reorganize the militia, animated opposition to Quaker indolence in administration and become clerk to the Pennsylvania legislature. In England, a man of Franklin's wit and pertinacity might have become a moderately successful merchant or an inhabitant of Grub Street. In Pennsylvania, he was able to stir an entire community for its good. Thus, Franklin's statement is the statement of the promise of America—a credo that was to be repeated again and again by other Americans for other generations of those who were born humbly.

The selection is from the edition by J. R. McCulloch, ed., *Collection of Scarce and Valuable Economical Tracts* (London, 1859).

Observations Concerning the Increase of Mankind

BY BENJAMIN FRANKLIN

1. TABLES of the proportion of marriages to births, of deaths to births, of marriages to the number of inhabitants, &c. formed on observations made upon the bills of mortality, christenings, &c. of populous cities, will not suit countries; nor will tables formed and observations made on full settled old countries, as Europe, suit new countries, as America.

2. For people increase in proportion to the number of marriages, and that is greater in proportion to the ease and convenience of supporting a family. When families can be easily supported, more persons marry, and earlier in life.

3. In cities, where all trades, occupations, and offices are full, many delay marrying till they can see how to bear the charges of a family; which charges are greater in cities, as luxury is more common; many live single during life, and continue servants to families, journeymen to trades, &c. Hence cities do not, by natural generation, supply themselves with inhabitants; the deaths are more than the births.

4. In countries full settled, the case must be nearly the same, all lands being occupied and improved to the height; those who cannot get lands, must labor for others, that have it; when laborers are plenty, their wages will be low; by low wages a family is supported with difficulty; this diffi-

culty deters many from marriage, who therefore long continue servants and single. Only, as the cities take supplies of people from the country, and thereby make a little more room in the country, marriage is a little more encouraged there, and the births exceed the deaths.

5. Great part of Europe is fully settled with husbandmen, manufacturers, &c. and therefore cannot now much increase in people. America is chiefly occupied by Indians, who subsist mostly by hunting. But as the hunter, of all men, requires the greatest quantity of land from whence to draw his subsistence, (the husbandman subsisting on much less, the gardener on still less, and the manufacturer requiring least of all) the Europeans found America as fully settled, as it well could be by hunters; yet these, having large tracts, were easily prevailed on to part with portions of territory to the new comers, who did not much interfere with the natives in hunting, and furnished them with many things they wanted.

6. Land being thus plenty in America, and so cheap, as that a labouring man, that understands husbandry, can, in a short time, save money enough to purchase a piece of new land, sufficient for a plantation, whereon he may subsist a family; such are not afraid to marry: for if they even look far enough forward to consider how their children, when grown up, are to be provided for, they see, that more land is to be had at rates equally easy, all circumstances considered.

7. Hence marriages in America are more general, and more generally early, than in Europe. And if it is reckoned there, that there is but one marriage *per annum* among 100 persons, perhaps we may here reckon two; and if in Europe, they have but four births to a marriage, (many of their marriages being late) we may here reckon eight, of which, if one half grow up, and our marriages are made, reckoning one with another, at twenty years of age, our people must at least be doubled every twenty years.

8. But notwithstanding this increase, so vast is the territory of North America, that it will require many ages to settle it fully; and till it is fully settled, labor will never be cheap here, where no man continues long a laborer for others, but gets a plantation of his own; no man continues long a journeyman to a trade, but goes among those new settlers, and sets up for himself, &c. Hence labor is no cheaper now, in Pennsylvania, than it was thirty years ago, though so many thousand laboring people have been imported from Germany and Ireland.

9. The danger, therefore, of these colonies interfering with their mother country in trades, that depend on labor, manufactures, &c. is too remote to require the attention of Great Britain.

10. But, in proportion to the increase of the colonies, a vast demand is growing for British manufactures; a glorious market, wholly in the power of Britain, in which foreigners cannot interfere, which will increase, in a short time, even beyond her power of supplying, though her whole trade should be to her colonies. . . .

12. It is an ill-grounded opinion, that, by the labor of slaves, America may possibly vie in cheapness of manufactures with Britain. The labor of slaves can never be so cheap here, as the labor of working men is in Britain. Any one may compute it. Interest of money is in the colonies from 6 to 10 per cent. Slaves, one with another, cost 30*l.* sterling per head. Reckon then the interest of the first purchase of a slave, the insurance or risk on his life, his clothing and diet, expenses in his sickness and loss of time, loss by his neglect of business, (neglect is natural to the man, who is not to be benefited by his own care or diligence) expense of a driver to keep him at work, and his pilfering from time to time, almost every slave being, from the nature of slavery, a thief, and compare the whole amount with the wages of a manufacturer of iron or wool in England, you will see, that labor is much cheaper there, than it ever can be by negroes here. Why then will Americans purchase slaves! Because slaves may be kept as long as a man pleases, or has occasion for their labor, while hired men are continually leaving their master (often in the midst of his business) and setting up for themselves. § 8.

13. As the increase of people depends on the encouragement of marriages, the following things must diminish a nation, viz. 1. The being conquered; for the conquerors will engross as many offices, and exact as much tribute or profit on the labor of the conquered, as will maintain them in their new establishment; and his diminishing the subsistence of the natives discourages their marriages, and so gradually diminishes them, while the foreigners increase. 2. Loss of territory. Thus the Britons, being driven into Wales, and crowded together in a barren country, insufficient to support such great numbers, diminished, till the people bore a proportion to the produce; while the Saxons increased on their abandoned lands, till the island became full of English. And, were the English now driven into Wales by some foreign nation, there would, in a few years, be no more Englishmen in Britain, than there are now people in Wales. 3. Loss of trade. Manufactures, exported, draw subsistence from foreign coun-

tries for numbers, who are thereby enabled to marry and raise families. If the nation be deprived of any branch of trade, and no new employment is found for the people occupied in that branch, it will soon be deprived of so many people. 4. Loss of food. Suppose a nation has a fishery, which not only employs great numbers, but makes the food and subsistence of the people cheaper: if another nation becomes master of the seas, and prevents the fishery, the people will diminish in proportion as the loss of employ and dearness of provision makes it more difficult to subsist a family. 5. Bad government and insecure property. People not only leave such a country, and, settling abroad, incorporate with other nations, lose their native language, and become foreigners; but the industry of those that remain being discouraged, the quantity of subsistence in the country is lessened, and the support of a family becomes more difficult. So heavy taxes tend to diminish a people. 6. The introduction of slaves. The negroes brought into the English sugar islands, have greatly diminished the whites there: the poor are by this means deprived of employment, while a few families acquire vast estates, which they spend on foreign luxuries; and, educating their children in the habits of those luxuries, the same income is needed for the support of one, that might have maintained one hundred. The whites, who have slaves, not laboring, are enfeebled, and therefore not so generally prolific; the slaves being worked too hard, and ill fed, their constitutions are broken, and the deaths among them are more than the births: so that a continual supply is needed from Africa. The northern colonies, having few slaves, increase in whites. Slaves also pejorate the families that use them; the white children become proud, disgusted with labor, and, being educated in idleness, are rendered unfit to get a living by industry.

14. Hence the prince, that acquires new territory, if he finds it vacant, or removes the natives to give his own people room;—the legislator, that makes effectual laws for promoting trade, increasing employment, improving land by more or better tillage, providing more food by fisheries, securing property, &c.;—and the man that invents new trades, arts or manufactures, or new improvements in husbandry, may be properly called *fathers of their nation* as they are the cause of the generation of multitudes, by the encouragement they afford to marriage.

15. As to privileges granted to the married, (such as the *jus trium liberorum* among the Romans) they may hasten the filling of a country, that has been thinned by war or pestilence, or that has otherwise vacant territory, but cannot increase a people beyond the means provided for their subsistence.

16. Foreign luxuries, and needless manufactures, imported and used in a nation, do, by the same reasoning, increase the people of the nation that furnishes them, and diminish the people of the nation that uses them. Laws therefore that prevent such importations, and, on the contrary, promote the exportation of manufactures to be consumed in foreign countries, may be called (with respect to the people that make them) *generative laws*, as, by increasing subsistence, they encourage marriage. Such laws likewise strengthen a country doubly, by increasing its own people, and diminishing its neighbors.

17. Some European nations prudently refuse to consume the manufactures of East India:—they should likewise forbid them to their colonies; for the gain to the merchant is not to be compared with the loss, by this means, of people to the nation.

18. Home luxury in the great increases the nation's manufacturers employed by it, who are many, and only tends to diminish the families that indulge in it, who are few. The greater the common fashionable expense of any rank of people, the more cautious they are of marriage. Therefore luxury should never be suffered to become common.

19. The great increase of offspring in particular families is not always owing to greater fecundity of nature, but sometimes to examples of industry in the heads, and industrious education, by which the children are enabled better to provide for themselves, and their marrying early is encouraged from the prospect of good subsistence.

20. If there be a sect, therefore, in our nation, that regard frugality and industry as religious duties, and educate their children therein, more than others commonly do, such sect must consequently increase more by natural generation than any other sect in Britain.

21. The importation of foreigners into a country that has as many inhabitants as the present employments and provisions for subsistence will bear, will be in the end no increase of people, unless the new-comers have more industry and frugality than the natives, and then they will provide more subsistence, and increase in the country; but they will gradually eat the natives out. Nor is it necessary to bring in foreigners to fill up any occasional vacancy in a country; for such vacancy (if the laws are good, § 14, 16) will soon be filled by natural generation. Who can

now find the vacancy made in Sweden, France, or other warlike nations, by the plague of heroism 40 years ago; in France, by the expulsion of the protestants; in England, by the settlement of her colonies; or in Guinea, by a hundred years' exportation of slaves, that has blackened half America? The thinness of the inhabitants in Spain is owing to national pride, and idleness, and other causes, rather than to the expulsion of the Moors, or to the making of new settlements.

22. There is, in short, no bound to the prolific nature of plants or animals, but what is made by their crowding and interfering with each other's means of subsistence. Was the face of the earth vacant of other plants, it might be gradually sowed and overspread with one kind only, as, for instance, with fennel: and were it empty of other inhabitants, it might, in a few ages, be replenished from one nation only, as, for instance, with Englishmen. Thus there are supposed to be now upwards of one million of English souls in North America (though it is thought scarce 80,000 have been brought over sea), and yet perhaps there is not one the fewer in Britain, but rather many more, on account of the employment the colonies afford to manufacturers at home. This million doubling, suppose but once in 25 years, will, in another century, be more than the people of England, and the greatest number of Englishmen will be on this side of the water. What an accession of power to the British Empire by sea as well as land? What increase of trade and navigation? What numbers of ships and seamen? We have been here but little more than a hundred years, and yet the force of our privateers in the late war, united, was greater, both in men and guns, than that of the whole British navy in Queen Elizabeth's time. How important an affair then to Britain is the present treaty for settling the bounds between her colonies and the French? And how careful should she be to secure room enough, since on the room depends so much the increase of her people?

23. In fine, a nation well regulated is like a polypus: take away a limb, its place is soon supplied: cut it in two, and each deficient part shall speedily grow out of the part remaining. Thus, if you have room and subsistence enough, as you may, by dividing, make ten polypuses out of one, you may, of one, make ten nations, equally populous and powerful; or, rather, increase the nation tenfold in numbers and strength. . . .

THE DUTY TO REBEL

By 1750, the men who were forming opinion in America had, for the most part, been born and educated on her own soil and so represented an attitude that was actually, not merely potentially, different from that which prevailed among Europeans of similar social background. Benjamin Franklin shows the American attitude toward economic opportunity. Jonathan Mayhew's *Discourse Concerning Unlimited Submission* (1750) foreshadows the political philosophy which was to become distinctively American, a philosophy which may have taken its premises from Locke but which applied them with a bold directness that might well have shocked him.

Jonathan Mayhew (1720–1766) was born at Martha's Vineyard, took his degree at Harvard, and was called to the West Church in Boston, a pulpit he filled until his death. In 1747, three years after he had begun his work as a pastor, his sermons had been reprinted abroad and won him a European reputation granted only to Jonathan Edwards among his contemporaries. In contrast to Edwards's Calvinism, however, Mayhew's work was distinguished by an outlook almost approaching that of the Enlightenment, for he defended free will and attacked not only the Calvinist concept of depravity but also the Trinitarian bases of the Atonement.

When Mayhew rose in his pulpit in the West Church to deliver this discourse, he was not occupied with theology. His purpose was to combat "high-toned" doctrines concerning obedience to authority and, by implication, to strengthen the Massachusetts opposition in resistance to the pretensions of the royal governor. Mayhew's sermon might almost be a reply to the pronouncements of Archbishop Laud. Government is a convenience, is the implied premise of Mayhew's address. Consequently, civil rulers are to be obeyed because

they are useful, not because they have some right to rule, either by gift of God or of the people. Mayhew proceeds to inquire whether a nation is obliged to yield absolute obedience to its sovereigns and applies the result of that inquiry to the case of Charles I. Only rulers who exercise a reasonable and just authority for the good of society may claim rule over it. Charles Stuart had shown himself no true prince but a tyrant. When the Lords and the Commons resisted his usurpations, they did not stand in rebellion but in defense of their liberties against the encroachment of arbitrary power. To do less than resist would have been to fail in their duty. For, Mayhew argues in language recalling the Declaration of Independence, since the good of society is the end of civil government, it is a nation's duty to rise against a tyrannous prince.

The selection is from Jonathan Mayhew, *A Discourse Concerning Unlimited Submission and Non-Resistance to the Higher Powers. . . .* (Boston, 1750).

A Discourse Concerning Unlimited Submission

BY JONATHAN MAYHEW

. . . THAT THE END of magistracy is the good of civil society, *as such:*

That civil rulers, *as such*, are the ordinance and ministers of God; it being by his permission and providence that any bear rule; and agreeable to his will, that there should be *some persons* vested with authority in society, for the well-being of it:

That which is here said concerning civil rulers, extends to all of them in common: It relates indifferently to monarchical, republican and aristocratical government; and to all other forms which truly answer the sole end of government, the happiness of society; and to all the different degrees of authority in any particular state; to inferior officers no less than to the supreme:

That disobedience to civil rulers in the due exercise of their authority, is not merely *political sin*, but heinous *offence against God* and *religion:*

That the true ground and reason of our obligation to be subject to the *higher powers*, is the usefulness of magistracy (when properly exercised) to human society, and its subserviency to the general welfare:

That obedience to civil rulers is here equally required under all forms of government, which answer the sole end of all government, the good of society; and to every degree of authority in any state, whether supreme or subordinate:

(From whence it follows,

That if unlimited obedience and non-resistance, be here required as a duty under any one form of government, it is also required as a duty under all other forms; and as a duty to subordinate rulers as well as to the supreme.)

And lastly, that those civil rulers to whom the apostle enjoins subjection, are the persons in *possession; the powers that be;* those who are *actually* vested with authority.

There is one very important and interesting point which remains to be inquired into; namely, the *extent* of that subjection *to the higher powers*, which is here enjoined as a duty upon all christians. Some have thought it warrantable and glorious, to disobey the civil powers in certain circumstances; and, in cases of very great and general oppression, when humble remonstrances fail of having any effect; and when the public welfare cannot be otherwise provided for and secured, to rise unanimously even against the sovereign himself, in order to redress their grievances; to vindicate their natural and legal rights; to break the yoke of tyranny, and free themselves and posterity from inglorious servitude and ruin. It is upon this principle that many royal oppressors have been driven from their thrones into banishment; and many slain by the hands of their subjects. It was upon this principle that *Tarquin* was expelled from *Rome;* and *Julius Cæsar*, the conqueror of the world, and the tyrant of his country, cut off in the senate house. It was upon this principle, that king *Charles* I, was beheaded before his own banqueting house. It was upon this principle, that king *James* II. was made to fly that country which he aimed at enslaving: And upon this principle was that *revolution* brought about, which has been so fruitful of happy consequences to *Great-Britain*. But, in opposition to this principle, it has often been asserted, that the scripture in general (and the passage under consideration in particular) makes all resistance to princes a crime, in any case whatever.—If they turn tyrants, and become the common oppressors of those, whose welfare

they ought to regard with a paternal affection, we must not pretend to right ourselves, unless it be by prayers and tears and humble intreaties: And if these methods fail of procuring redress, we must not have recourse to any other, but all suffer ourselves to be robbed and butchered at the pleasure of the *Lord's anointed;* lest we should incur the sin of rebellion, and the punishment of damnation. For he has God's authority and commission to bear him out in the worst of crimes, so far that he may not be withstood or controlled. Now whether we are obliged to yield such an absolute submission to our prince: or whether disobedience and resistance may not be justifiable in some cases, notwithstanding any thing in the passage before us, is an inquiry in which we are all concerned; and this is the inquiry which is the main design of the present discourse. . . .

And if we attend to the nature of the argument with which the apostle here enforces the duty of submission to *the higher powers*, we shall find it to be such an one, as concludes not in favour of submission to all who bear the *title* of rulers, in common; but only, to those who *actually* perform the duty of rulers, by exercising a reasonable and just authority, for the good of human society. This is a point which it will be proper to enlarge upon; because the question before us turns very much upon the truth or falsehood of this position. It is obvious, then, in general, that the civil rulers whom the apostle here speaks of, and obedience to whom he presses upon christians as a duty, are *good rulers*, such as are in the exercise of their office and power, benefactors to society. Such they are described to be, throughout this passage. Thus it is said, that they are not *a terror to good works, but to the evil;* that they are God's *ministers for good; revengers to execute wrath upon him that doeth evil;* and that *they attend continually upon this very thing.* St. *Peter* gives the same account of rulers: They are *for a praise to them that do well, and the punishment of evil doers.* It is manifest that this character and description of rulers, agrees only to such as are rulers in fact, as well as in name: to such as govern well, and act agreeably to their office. And the apostle's argument for submission to rulers, is wholly built and grounded upon a presumption that they do in fact answer this character; and is of no force at all upon the supposition of the contrary. If *rulers are a terror to good works, and not to the evil;* if they are not *ministers for good to society*, but for evil and distress, by violence and oppression; if they *execute wrath upon* sober, peaceable persons, who do their duty as members of society; and suffer rich and honorable knaves to escape with impunity; if instead of *attending continually upon* the good work of advancing the public welfare, they *attend* only upon the gratification of their own lust and pride, and ambition, to the destruction of the public welfare; if this be the case, it is plain that the apostle's argument for submission does not reach them; they are not the same, but different persons from those whom he characterizes.

If it be said, that the apostle here uses another argument for submission to the *higher powers*, besides that which is taken from the usefulness of their office to civil society, when properly discharged and executed; namely, that their *power is from God;* that they *are ordained of God;* and that they *are God's ministers:* And if it be said, that this argument for submission to them will hold good, although they do not exercise their power for the benefit, but for the ruin, and destruction of human society; this objection was obviated, in part, before. Rulers have no authority from God to do mischief. They are not *God's ordinance*, or *God's ministers*, in any other sense than as it is by his permission and providence, that they are exalted to bear rule; and as magistracy duly exercised, and authority rightly applied, in the enacting and executing good laws,—laws attempered and accommodated to the common welfare of the subjects, must be supposed to be agreeable to the will of the beneficent author and supreme Lord of the universe; whose *kingdom ruleth over all;* and whose *tender mercies are over all his works.* It is BLASPHEMY to call tyrants and oppressors, *God's ministers.* They are more properly *the messengers of* SATAN *to buffet us.* No rulers are properly *God's ministers*, but such as are *just, ruling in the fear of God.* When once magistrates act contrary to their office, and the end of their institution; when they rob and ruin the public, instead of being guardians of its peace and welfare; they immediately cease to be the *ordinance* and *ministers of God;* and no more deserve that glorious character, than common *pirates* and *highwaymen.* So that whenever that argument for submission fails, which is grounded upon the usefulness of magistracy to civil society, (as it always does when magistrates do hurt to society instead of good) the other argument, which is taken from their being the ordinance of God, must necessarily fail also; no person of a civil character being *God's minister*, in the sense of the apostle, any farther than he performs God's will, by exercising a just and reasonable authority; and ruling for the good of the subject. . . .

Thus, upon a careful review of the apostle's reasoning in this passage, it appears that his argu-

ments to enforce submission, are of such a nature, as to conclude only in favor of submission *to such rulers as he himself describes;* i. e. such as rule for the good of society, which is the only end of their institution. Common tyrants, and public oppressors, are not entitled to obedience from their subjects, by virtue of any thing here laid down by the inspired apostle.

I now add farther, that the apostle's argument is so far from proving it to be the duty of people to obey, and submit to such rulers as act in contradiction to the public good, and so to the design of their office, that it proves *the direct contrary*. For, please to observe, that if the end of all civil government, be the good of society; if this be the thing that is aimed at in constituting civil rulers; and if the motive and argument for submission to government, be taken from the apparent usefulness of civil authority, it follows, that when no such good end can be answered by submission, there remains no argument or motive to enforce it; if instead of this good end's being brought about by submission, a *contrary end* is brought about, and the ruin and misery of society effected by it; here is a plain and positive reason against submission in all such cases, should they ever happen. And therefore, in such cases, a regard to the public welfare, ought to make us withhold from our rulers that obedience and subjection which it would, otherwise, be our duty to render to them. If it be our duty, for example, to obey our king, merely for this reason, that he rules for the public welfare, (which is the only argument the apostle makes use of) it follows, by a parity of reason, that when he turns tyrant, and makes his subjects his prey to devour and to destroy, instead of his charge to defend and cherish, we are bound to throw off our allegiance to him, and to resist; and that according to the tenor of the apostle's argument in this passage. Not to discontinue our allegiance, in this case, would be to join with the sovereign in promoting the slavery and misery of that society, the welfare of which, we ourselves, as well as our sovereign, are indispensably obliged to secure and promote, as far as in us lies. It is true the apostle puts no case of such a tyrannical prince; but by his grounding his argument for submission wholly upon the good of civil society; it is plain he implicitly authorises, and even requires us to make resistance, whenever this shall be necessary to the public safety and happiness. . . .

Thus it appears, that the common argument, grounded upon this passage, in favor of universal and passive obedience, really overthrows itself, by proving too much, if it proves any thing at all; namely, that no civil officer is, in any case whatever, to be resisted, though acting in express contradiction to the design of his office; which no man, in his senses, ever did, or can assert.

If we calmly consider the nature of the thing itself, nothing can well be imagined more directly contrary to common sense, than to suppose that *millions* of people should be subjected to the arbitrary, precarious pleasure of *one single man;* (who has *naturally* no superiority over them in point of authority) so that their estates, and every thing that is valuable in life, and even their lives also, shall be absolutely at his disposal, if he happens to be wanton and capricious enough to demand them. What unprejudiced man can think, that God made ALL to be thus subservient to the lawless pleasure and phrenzy of ONE, so that it shall always be a sin to resist him! Nothing but the most plain and express revelation from heaven could make a sober, impartial man believe such a monstrous, unaccountable doctrine, and, indeed, the thing itself, appears so shocking—so out of all *proportion*, that it may be questioned, whether all the *miracles* that ever were wrought, could make it credible, that this doctrine *really* came from God. At present, there is not the least syllable in scripture which gives any countenance to it. The hereditary, indefeasible, divine right of kings, and the doctrine of non-resistance, which is built upon the supposition of such a right, are altogether as fabulous and chimerical, as transubstantiation; or any of the most absurd reveries of ancient or modern vissionaries. These notions are fetched neither from divine relation, nor human reason; and if they are derived from neither of those sources, it is not much matter from *whence they come, or whither they go*. Only it is a pity that such doctrines should be propagated in society, to raise factions and rebellions, as we see they have, in fact, been both in the *last*, and in the *present* REIGN.

But then, if unlimited submission and passive obedience to the *higher powers*, in all possible cases, be not a duty, it will be asked, "How far are we obliged to submit? If we may innocently disobey and resist in some cases, why not in all? Where shall we stop? What is the measure of our duty? This doctrine tends to the total dissolution of civil government; and to introduce such scenes of wild anarchy and confusion, as are more fatal to society than the worst of tyranny."

After this manner, some men object; and, indeed, this is the most plausible thing that can be said in favor of such an absolute submission as they plead for. But the worst (or rather the best) of it, is, that there is very little strength or solidity in it. For similar difficulties may be raised with

respect to almost every duty of natural and revealed religion.—To instance only in two, both of which are near a kin, and indeed exactly parallel, to the case before us. It is unquestionably the duty of children to submit to their parents; and of servants, to their masters. But no one asserts, that it is their duty to obey, and submit to them, in all supposeable cases; or universally, a sin to resist them. Now does this tend to subvert the just authority of parents and masters? Or to introduce confusion and anarchy into private families? No. How then does the same principle tend to unhinge the government of that larger family, the body politic? We know, in general, that children and servants are obliged to obey their parents and masters respectively. We know also, with equal certainty, that they are not obliged to submit to them in all things, without exception; but may, in some cases, reasonably, and therefore innocently, resist them. These principles are acknowledged upon all hands, whatever difficulty there may be in fixing the exact limits of submission. Now there is at least as much difficulty in stating the measure of duty in these two cases, as in the case of rulers and subjects. So that this is really no objection, at least no reasonable one, against resistance to the *higher powers:* Or, if it is one, it will hold equally against resistance in the other cases mentioned.—It is indeed true, that turbulent, vicious-minded men, may take occasion from this principle, that their rulers may, in some cases, be lawfully resisted, to raise factions and disturbances in the state; and to make resistance where resistance is needless, and therefore, sinful. But is it not equally true, that children and servants of turbulent, vicious minds, may take occasion from this principle, that parents and masters may, in some cases be lawfully resisted, to resist when resistance is unnecessary, and therefore, criminal? Is the principle in either case false in itself, merely because it may be abused; and applied to legitimate disobedience and resistance in those instances, to which it ought not to be applied? According to this way of arguing, there will be no true principles in the world; for there are none but what may be wrested and perverted to serve bad purposes, either through the weakness or wickedness of men.

A people, really oppressed to a great degree by their sovereign, cannot well be insensible when they are so oppressed. And such a people (if I may allude to an ancient *fable*) have, like the *hesperian* fruit, a DRAGON for their *protector* and *guardian:* Nor would they have any reason to mourn, if some HERCULES should appear to dispatch him.—For a nation thus abused to arise unanimously, and to resist their prince, even to the dethroning him, is not criminal; but a reasonable way of vindicating their liberties and just rights; it is making use of the means, and the only means, which God has put into their power, for mutual and self defence. And it would be highly criminal in them, not to make use of this means. It would be stupid tameness, and unaccountable folly, for whole nations to suffer *one* unreasonable, ambitious and cruel man, to wanton and riot in their misery. And in such a case it would, of the two, be more rational to suppose, that they that did NOT *resist*, than that they who did, would *receive to themselves damnation.*

OF KING CHARLES'S SAINTSHIP AND MARTYRDOM

This naturally brings us to make some reflections upon the resistance which was made about a century since, to that unhappy prince, KING CHARLES I.; and upon the ANNIVERSARY of his death. This is a point which I should not have concerned myself about, were it not that *some men* continue to speak of it, even to this day, with a great deal of warmth and zeal; and in such a manner as to undermine all the principles of LIBERTY, whether civil or religious, and to introduce the most abject slavery both in church and state; so that it is become a matter of universal concern.—What I have to offer upon this subject, will be comprised in a short answer to the following *queries; viz.*

For what reason the resistance to king *Charles* the *First*, was made?

By whom it was made?

Whether this resistance was REBELLION, or not?

How the *Anniversary* of king *Charles's* death came *at first* to be solemnized as a day of fasting and humiliation? And lastly,

Why those of the episcopal clergy who are very high in the principles of *ecclesiastical authority*, continue to speak of this unhappy man, as a great SAINT and a MARTYR?

For what reason, then, was the resistance to king *Charles*, made? The general answer to this enquiry is, that it was on account of the *tyranny* and *oppression* of his reign. Not a great while after his accession to the throne, he married a *French catholic;* and with her seemed to have *wedded* the politics, if not the religion of *France*, also. For afterwards, during a reign, or rather a tyranny of many years, he governed in a perfectly wild and arbitrary manner, paying no regard to the constitution and the laws of the kingdom, by which the power of the crown was limited; or to the solemn oath which he had taken at his coronation. It would be endless, as well as needless, to give a particular account of all the illegal and des-

potic measures which he took in his administration;—partly from his own natural lust of power, and partly from the influence of wicked councellors and ministers.—He committed many illustrious members of both houses of parliament to the *Tower*, for opposing his arbitrary schemes. —He levied many taxes upon the people without consent of parliament;—and then imprisoned great numbers of the principal merchants and gentry for not paying them.—He erected, or at least revived, several new and arbitrary courts, in which the most unheard-of barbarities were committed with his knowledge and approbation.—He supported that more than fiend, arch-bishop *Laud* and the clergy of his stamp, in all their church tyranny and hellish cruelties.—He authorised a book in favor of *sports* upon the *Lord's day;* and several clergymen were persecuted by him and the mentioned *pious* bishop, for not reading it to the people after *divine service.*—When the parliament complained to him of the arbitrary proceedings of his corrupt ministers, he told that *august body*, in a rough, domineering, unprincely manner, that he wondered any one should be so foolish and insolent as to think that he would part with the meanest of his servants *upon their account.*—He refused to call any parliament at all for the space of twelve years together, during all which time, he governed in an absolute, lawless, and despotic manner.—He took all opportunities to encourage the *papists*, and to promote them to the highest offices of honor and trust.—He (probably) abetted the horrid massacre in *Ireland*, in which two hundred thousand protestants were butchered by the Roman Catholics.—He sent a large sum of money, which he had raised by his arbitrary taxes, into *Germany*, to raise foreign troops, in order to force more arbitrary taxes upon his subjects.— He not only by a long series of *actions*, but also in *plain terms*, asserted an absolute uncontroulable power; saying even in one of his speeches to parliament, that as it was blasphemy to dispute what God might do; so it was sedition in subjects to dispute what the king might do.—Towards the end of his tyranny, he came to the House of Commons with an armed force, and demanded five of its principal members to be delivered up to him. —And this was a prelude, to that unnatural war, which he soon after levied against his own dutiful subjects; whom he was bound by all the laws of honor, humanity, piety, and I might add, of *interest* also, to defend and cherish with a paternal affection.—I have only time to hint at these facts in a general way, all which, and many more of the same tenor, may be proved by good authorities: So that the *figurative* language which St. *John* uses, concerning the just and beneficent deeds of our blessed Saviour, may be applied to the unrighteous and execrable deeds of this prince, *viz. And there are also many other things which* king Charles *did the which, if they should be written every one, I suppose that even the world itself, could not contain the books that should be written.* Now it was on account of king *Charles's* thus assuming a power above the laws, in direct contradiction to his coronation-oath, and governing the greatest part of his time, in the most arbitrary oppressive manner; it was upon this account, that that resistance was made to him, which, at length, issued in the loss of his crown, and of *that head* which was unworthy to wear it.

But by whom was this resistance made? Not by a private *junto;*—not by a small seditious *party;* —not by a *few desparadoes*, who, to mend their fortunes, would embroil the state;—but by the LORDS and COMMONS of *England*. It was they that almost unanimously opposed the king's measures for overturning the constitution, and changing that free and happy government into a wretched, absolute monarchy. It was they, that when the king was about levying forces against his subjects, in order to make himself absolute, commissioned officers, and raised an army to defend themselves and the public: And it was they that maintained the war against him all along, till he was made a prisoner. This is indisputable. Though it was not properly speaking, the parliament, but the army, which put him to death afterwards. And it ought to be freely acknowledged, that most of their proceedings, in order to get this matter effected, and particularly the court by which the king was at last tried and condemned, was little better than a mere mockery of justice.—

The next question which naturally arises, is, whether this resistance which was made to the king *by the Parliament*, was properly *rebellion*, or not? The answer to which is plain, that it was not; but a most righteous and glorious stand, made in defence of the natural and legal rights of the people, against the unnatural and illegal encroachments of arbitrary power. Nor was this a rash and too sudden opposition. The nation had been patient under the oppressions of the crown, even to *long suffering;*—for a course of many years; and there was no rational hope of redress in any other way.—Resistance was absolutely necessary, in order to preserve the nation from slavery, misery and ruin. And who so proper to make this resistance, as the Lords and Commons;—the whole representative body of the people;—guardians of the public welfare; and each of which, was, in point of legislation, vested with an equal, co-

ordinate power, with that of the crown? Here were *two* branches of the legislature against *one;* —two of which, had law and equity, and the constitution on their side, against one which was impiously attempting to overturn law and equity, and the constitution; and to exercise a wanton licentious *sovereignty* over the properties, consciences and lives of all the people:—Such a *sovereignty* as some inconsiderately ascribe to the Supreme Governor of the world.—I say, inconsiderately; because God himself does not govern in an absolutely arbitrary and despotic manner. The power of this Almighty King (I speak it not without caution and reverence; the power of this Almighty King) is *limited by law;* not indeed, by *acts of Parliament*, but by the eternal *laws* of truth, wisdom and equity; and the everlasting *tables* of right reason;—tables that cannot be *repealed*, or *thrown down* and *broken* like those of *Moses.*—But king *Charles* sat himself up above all these, as much as he did above the written laws of the realm; and made mere humor and caprice, which are no rule at all, the only rule and measure of his administration. And now, is it not perfectly ridiculous to call resistance to such a tyrant, by the name of *rebellion?—the grand rebellion?* Even that —— parliament, which brought king *Charles II.* to the throne, and which run *loyally mad*, severely reproved one of their own members for condemning the proceedings of that parliament which first took up arms against the former king. And upon the same principles that the proceedings of this parliament may be censured as wicked and rebellious; the proceedings of those, who since opposed king *James II.* and brought the Prince of *Orange* to the throne, may be censured as wicked and rebellious also. The cases are parallel.—But whatever *some* men may *think*, it is to be hoped that for their own sakes, they will not dare to *speak* against the REVOLUTION upon the justice and legality of which, depends (in part) his present MAJESTY's right to the throne.

If it be said, that although the parliament which first opposed king *Charles's* measures, and at length took up arms against him, were not guilty of rebellion; yet certainly those persons were, who condemned, and put him to death; even this perhaps is not true. For he had, in fact, *unkinged* himself long before, and had forfeited his title to the allegiance of the people. So that those who put him to death, were, at most, only guilty of *murder;* which, indeed, is bad enough, if they were really guilty of *that;* (which is at least disputable.) *Cromwell*, and those who were principally concerned in the (*nominal*) king's death, might possibly have been very wicked and designing men. Nor shall I say any thing in vindication of the reigning *hypocrisy* of those times, or of *Cromwell's* maleadministration during the *interregnum:* (for it is *truth*, and not a *party*, that I am speaking for.) But still it may be said, that *Cromwell* and his adherents were not, properly speaking, guilty of *rebellion;* because he whom they beheaded was not, properly speaking, *their king;* but a *lawless tyrant.*—Much less, are the whole body of the nation at that time to be charged with rebellion on that account; for it was no *national act;* it was not done by a *free* parliament. And much less still, is the nation at present, to be charged with the great sin of rebellion, for what their *ancestors* did, (or rather did NOT) a century ago. . . .

Part Two

THE FIRST AMERICAN REVOLUTION

INTRODUCTION

1. THE COLONIAL SCENE

Colonial America grew, its horizons constantly expanded, and it created wealth in the process. Settlements extended more and more into the interior as nature was conquered and the Indians were brought under control. Large estates and many small farms, with their ample houses and farm buildings, trees and lawns and orchards, dotted the countryside. Towns made their appearance. In the 1770s there were five important urban centers—Boston, Philadelphia, Newport, New York, and Charleston—of which Philadelphia was the largest, with a population of 40,000. By our modern standards, these are small towns. Even smaller were the other settled communities of Providence, Hartford, New Haven, Albany, Savannah, Williamsburg. Yet many had newspapers and some municipal public services. There were churches, schools and academies; taverns and Masonic lodges; and a good deal of social activity.

Living was becoming much more bountiful and, except in the constantly receding frontier zones, the amenities of daily relations were not unlike those of the long-settled European communities. America was opportunity. There was no caste system; the discipline of hard work—thanks to a Protestant heritage—was commonly accepted; property could be acquired easily and transmitted, under little threat of ancient privilege. Because the economy was essentially agricultural and needed human labor, early marriages took place and families were large. Because men outnumbered women, the European sex distinctions and inequalities were disregarded. The family, as a unit, functioned well and children were trained to accept parental discipline and labor in the fields beside their elders. Colonial Americans were optimists; they tended to break down class lines; they were utilitarians and individualists; they believed in property rights because all men looked forward to acquiring possessions. America was middle class, functionally and psychologically.

Religion in Colonial America. Religion, as a discipline and a way of life, filled the minds and shaped the habits of colonial Americans. The prevailing form was Protestant, but it was a Protestantism of many sects. Ecclesiastical authority was powerful in the Anglican churches and, in Massachusetts at any rate, in the Congregational churches. But dissidence could not be held down. The German Pietists in Pennsylvania, the Quakers, the Baptists, the later Methodists, founded their churches on the democratic will of the congregations and sought to infuse their doctrines with the warmer glow of personal mystical experience and Christian charity.[1]

The stern, self-denying, righteous Puritanism of the early Massachusetts fathers was not left unchallenged. Puritanism had invested its clergy with great powers. They prepared the true believers for their calling and constantly pointed out the hard way God's elect were called upon to tread. In the early eighteenth century, Cotton Mather had sought to perpetuate the orthodox and conservative traditions; but he was doomed to failure. Under the lead of newer spirits—John Wise, the minister of Ipswich, and notably Jonathan Edwards of Northampton—Calvinism was becoming more democratic as far as church organization was concerned and more truly Christian as a religious faith.

[1] While the Anglican church was the established church in Virginia, Maryland, New York, North Carolina, South Carolina, and Georgia, by the eighteenth century its influence was visibly declining.

The Great Awakening, which swept all the colonies in the 1730s and 1740s, deeply modified and enriched Calvinism. It was more than a wave of revivalism: it was an effort to make Christianity more personal, more mystical, more joyous. Salvation was a purifying experience that brought men in direct communion with God. The Great Awakening reached distant places, obscure hamlets, the frontier regions—particularly it made its appeal to the little men who were being left out of the established churches and their formalized ritualism—and it created a secure place for these in the religious life of America.

Jonathan Edwards was a modern in this sense: despite his emphasis on mystical experience, he sought to reconcile religion with rationalism, faith with reason. Others in colonial America—among the educated minority who were drinking deeply from the well-springs of the English (and also French) Enlightenment—were seeking to make a religion of reason. Influenced by the physics of Newton and the psychology of Locke, they saw the universe, like a machine well planned and built, operating in terms of its own mechanical laws. Man, fashioned by his own experiences and controlling his own destiny, but always guided by natural law, had it within his power to make a better world. Man was rational, he was educable, he was free. A belief in the individual's powers to rise only strengthened the characteristic optimism of America; and a devotion to the principle of natural rights—to life, liberty, and property—prepared men's minds for America's later democratic revolution.

These were some of the influences that produced the characteristic American man of the colonial period. He was developing a group-personality and psychology as a result of his experiences in the New World. He was also developing a set of reflexes as a result of the fact that he was a colonial compelled to function in a mercantilist climate.

2. *THE COLONIAL UNDER MERCANTILISM*

The Political Sphere. The American of the seventeenth and eighteenth centuries was a colonial. He lived under English law, read English books, wore English clothes, and sometimes he sent his sons to English schools. Nevertheless he was a colonial in a variety of ways, some apparent and obvious, some subtle. He had no representation in the English Parliament and, in the final analysis, his political affairs were ruled over by people who did not know his peculiar problems. He had to submit to a judiciary, as a last court of appeal, which sat three thousand miles away. He functioned in an economic system which regarded his interests and activities as subordinate to those of the mother country. He was received well when he went to England; his spokesmen were listened to courteously; but, always, he and they were led to understand that the function of the settlements overseas was to strengthen the position of the mother country in a world where the search for wealth was always the first consideration. In short, he was a colonial with a specific function to perform in a climate guided by the rules of mercantilism.

The Economic Sphere. Nowhere were these rules clearer than in the domain of business enterprise. In some areas—as we shall see—the colonial was permitted to operate in a protected market. In others—as we also shall see—he was forced to operate in a monopoly one. At all times, he was a colonial businessman rather than a free enterpriser; and in time, as a result of his inferior position and the restraints imposed upon him, he was bound to become restive. The American Revolution made him free economically and politically; the colonial sought freedom for both reasons.

The colonial of the one hundred years before the American Revolution—particularly the colonial businessman—lived in a world that is hard for us to understand today. First, Eng-

lish capital played a very minor role in the establishment of business concerns; capital for new enterprises and for expansion came largely from the savings of business launched by the colonials themselves. Second, colonial business never had the benefits of corporate organization and management. Third, it did not have the assistance of any kind of banking mechanism. There were no agencies for deposit and discount; none for the creation of funds for working capital; none for the collection of savings and their conversion into investments.

This important fact should also be borne in mind: the typical colonial businessman was a merchant rather than an industrialist. He diversified his affairs, to spread his risks, because he had limited capital resources at his command; so that, at one and the same time, he could be engaging in retail and wholesale trade, ironmaking, the buying and selling of furs, land speculation, and money lending. He bought and sold for himself. He acted as a commission man for other businessmen. He outfitted ships and sent their captains out on trading voyages. He put up goods at auction, or public vendue. He joined with others—through the device of the partnership—in building and owning ships and in insuring cargoes.

Most important of all, perhaps, was the fact that as a businessman he was limited in the nature of the adventures upon which he might embark. As a wholesale merchant, he could not trade freely all over the globe. As a manufacturer, he could not fabricate anything his fancy dictated. At these points, notably, he was made to understand that he was a colonial. The over-all mercantilist program imposed upon the colonies by England, the mother country, impressed these facts upon him:

First, it was the function of the colonies to provide the basic raw materials needed by English industry and trade to make England strong and rich.

Second, it was the role of the colonies to buy the surpluses of English manufactured ware.

Third, it was the duty of colonials to tie their currencies to the English pound sterling —to be, in our modern terminology, members of the sterling bloc.

The Navigation System. To achieve these ends, England put the colonies under the supervision of the so-called Navigation System. The first Act of Trade and Navigation was passed by Parliament in 1651; but it was the Act of 1660 that really set up the cornerstone of the system. According to the 1660 law, only English vessels could engage in trade with the English oversea dominions or import any colonial products into England. Again, all commodities grown or fabricated in Asia, Africa, or America could be imported into England or the oversea dominions only in ships owned and manned by English men (or colonials). Also, only certain specified commodities produced in Europe could be imported into England; and these commodities could move only in English ships or in ships of the countries of origin. And, by the Act of 1663, all the commodities grown, produced, or fabricated in Europe which the colonies might require or wished to handle had to come by way of England as the entrepôt. Transshipment in this fashion meant, of course, export duties and additional freight and handling charges, so that the cost of European goods for the colonists was increased. This meant, again, an effort to force the American colonies to deal with England alone for their manufactured-ware necessaries. Later acts were designed to strengthen the administrative regulations of enforcement.

This was only one part of the Navigation System. The second had to do with production. Written into the Acts of Trade and Navigation were so-called "enumerated lists," or lists of raw-material products grown or created in the colonies which were to be exported to England alone. Naturally, these products were for English use or English transshipment into the European markets. In this way England (in true mercantilist fashion), hoped to free herself of her dependence upon the naval stores, minerals, spices, and the like, of foreign lands; also, the carriage of such wares in the European trade

meant earnings for English ships and profits for English merchants and processors. There was, in addition, the factor of revenues from import and export duties levied on such articles. So, the Acts of 1660 and 1663 placed the following colonial commodities on these "enumerated lists": sugar, cotton, tobacco, ginger, indigo, and various dyewoods. The Acts of 1704 and 1705 included rice, molasses, naval stores, hemp, and masts and yards. The Act of 1721 listed copper ore, beaver furs, and other furs. The Act of 1764 enumerated whale fins, hides, iron, lumber, raw silk, and potash and pearl ashes. It will be observed that virtually all the surplus products of the new country, except cereals, meat stuffs, and fish, in time fell under the controls of the Navigation System.

Restrictions on Manufacturing. As far as international trade was concerned, the orbit of colonial enterprise was a limited one indeed. The same restricted opportunities existed in industrial production. The explanation for the insignificance of colonial manufacturing is a simple one; and, again, it is linked with mercantilist restraint. The English administrative apparatus of control over the economic life of the colonies was elaborate. The key agency was the Board of Trade established as such in 1696, although its predecessors ran back into the Cromwellian period. The devices used by the Board of Trade for directing and supervising economic matters included the following: It was given the task of preparation of the civil list, so that it had its hands on the personnel sent over to or in charge of the colonies. It supervised the activities of the colonial judiciary. It passed on the petitions of English companies seeking investment opportunities in the colonies and reported back to the Privy Council. (In this particular it is important to note that very few such requests for charters were granted; and in no cases were the petitions acceded to when a business right of Englishmen was threatened.)

Even more important were the Board's two functions of reviewing colonial legislation and recommending approval or disapproval ("disallowance" was the term employed) to the Privy Council, and of preparing instructions for the deportment of the royal governors. These two rights the Board of Trade employed; so that a good deal of the conflict that emerged between colonial legislatures and royal governors in the eighteenth century stemmed from the constant limitations imposed upon the popular will from overseas. Notably at two points, colonial enterprise was being circumscribed. The first had to do with prohibitions against the encouragement of manufacturing by the colonial legislatures. The second was concerned with the checking of attempts on the part of the colonies to increase their money supply in an effort to escape from the trap of inadequate credit facilities.

It is not generally recognized to what degree colonial legislatures were preoccupied with the problem of manufactures. Taking a leaf from the experiences of the mother country and using characteristically mercantilist devices, the legislatures sought to encourage the development of textile and ironware industries. They passed statutes offering bounties, public credit, and tax exemptions; they tried to create monopolies, to assure fair ware, and to incorporate new towns where industries might be established. The Board of Trade examined these statutes and used a number of means to hold the tendency in check. It recommended disallowance to the Privy Council. It instructed the royal governors to veto. It advised Parliament in the preparation of general legislation.

In the last connection, three laws were passed. The Woolen Act of 1699 struck at the colonial (as well as the Irish) woolen textile industry. Under it, colonial wool, woolen yarn, and woolen cloth could not enter into intercolonial or international trade. The Hat Act of 1732 not only prevented colonial-made hats from moving into intercolonial and international trade but it also reduced the industry to retail and custom-made proportions. Negroes were barred from participation in it; the seven-year apprenticeship law was imposed; and all hat-

makers were limited to two apprentices. The Iron Act of 1750 denied to the colonial enterprisers the right to expand their iron operations by the erection of new mills, forges, and furnaces. They could, in other words, continue to produce heavy bar iron; but not wrought ironware or finished steel products.

In addition, the right of disallowance was regularly used by the Privy Council at the recommendation of the Board of Trade. Colonial laws to encourage shoemaking (Pennsylvania, 1705), sailcloth manufacture (New York, 1706), the establishment of new towns (1706, 1707, 1708 in Virginia and Maryland), linen fabrication (Massachusetts, 1756) were vetoed. And it made no effort to conceal its intention. Thus, in 1756, the Board declared that "the passing of laws in the plantations for encouraging manufactures, which any ways interfere with the manufacture of this kingdom, has always been thought improper, and has ever been discouraged."

The Bounty System. Side by side with mercantilist restraint went encouragement, but all to achieve the grand design of making colonial enterprise an adjunct of English economic requirement. Again and again, special privileges were offered by the mother country in an effort to direct colonial activity into specific spheres. England was dependent upon the so-called East Country (lands around the Baltic Sea) for her naval stores, ropes, and rigging. In 1705, to stimulate the colonial production of these staples, upon which shipbuilding was based, bounties were offered for the raising and making of hemp, tar, pitch, and resin. But New Englanders, whom London had particularly in mind, did not yield to these blandishments. In South Carolina an impetus was given to naval store production; in North Carolina, to hemp. The bounties were permitted to lapse for a time, were renewed again in 1729 at a lower level, and then raised once more in 1764. This assisted-production neither solved England's problem—for her own shipbuilding industry continued to depend upon East Country exports—nor did it divert New England enterprise out of those activities that were competitive with the mother country's.

Similar programs were launched in connection with the production of subtropical requirements. Attempts were made to foster the development of wine (imported from France) and silk (imported from Italy) first in Virginia in the seventeenth century and again in Georgia in the eighteenth century. Bounties, assisted emigration, and high prices for wine and wound silk produced no results.

In the case of tobacco, mercantilist policy was more successful. To give the planting colonies an opportunity to cultivate the weed without competition, its growth was banned in Great Britain and Ireland in 1620. On the other hand, tobacco was put on the enumerated list under the Navigation System, so that the crop was moved through the hands of English and Scottish dealers and processers before it was transshipped to the European continent. This was less than a blessing. The fact is, on balance, the mercantilist restrictions and prohibitions hampered colonial enterprise. A closer examination of foreign trade will demonstrate this.

3. *COLONIAL COMMERCE*

The colonial businessman was primarily a merchant. In the Northern colonies, he subordinated his other economic interests to trade; but he was an independent trader. In the Southern colonies, usually, he was an agent or factor for English or Scottish merchants. There is another regional difference that must be had in mind. The English mercantile economy welcomed Southern plantation wares; while it was in no position to absorb all the goods produced in surplus in the Northern colonies. The problems of both sections were different, although the overall limitations on their business activities were the same.

The Balance of Payments. Because England took, in such large quantities, the South's tobacco, indigo, naval stores, furs and hides, it might be supposed that the balance of trade was favorable to the colonials of this region. Such was not the case. They had to buy their invisible items from the English—shipping, brokerage, commissions, interest. The terms of trade were against them, for there was a constant complaint in the South of the lack and the dearness of manufactured ware. English investments (by the 1770s, they came to something like £4,000,000 in the planting South) continued to increase. This meant that English creditors were converting the short-term debts of Southern planters into long-term obligations, largely mortgages on land and slaves. All in all, the planting colonies were in a debtor relationship to the mother country—a state of affairs that was not unduly restrictive as long as credits were available in England.

The North was also in a debtor relationship because its businessmen had to buy from England while they could not sell to her. They were able to carry on, and even to expand, as long as they could find other areas of trade in which to acquire favorable balances. Here developed one of the paradoxes of the mercantilist program. In an effort to avoid the competition of colonial businessmen, the English limited industrial enterprise; but to make possible the purchase in America of English goods in growing quantities, they were compelled to tolerate colonial competition in the foreign trade. In short, Northern businessmen tried to earn freights, commissions, profits, and brokerage fees on their own account, by extending their trading activities into foreign spheres where English merchants were already functioning. Northern businessmen, to pay their English balances and sustain their domestic trade, had to find markets in Newfoundland, the Wine Islands, southern Europe, Africa, and the West Indies. In virtually all these regions, they built up favorable balances; from all these regions they obtained specie and bills of exchange with which to satisfy their English creditors. In this way, the import trade was financed—and colonial mercantile accumulation could take place. When the competition became too keen, when New York, Boston, Newport, and Philadelphia merchants began to press their English rivals too closely, then the English Mercantile System was on the horns of a dilemma. To curb the aggressive Northern businessmen threatened the ruin of the Northern business centers. But to permit colonial enterprisers to go their own way and engage in industry meant the end of the economic usefulness of the colonies. This was England's problem after the end of the Seven Years' War in 1763. There was no solution for it.

The Northern Trades. The foreign trades opened up by Northern merchants, therefore, were not extra ventures but fundamental to their continuance in business. These trades were the following:

(1) THE NEWFOUNDLAND TRADE. To this region, New England merchants sent provisions, lumber, rum, fishing tackle, and salt for the maintenance of the English colonies planted there. Originally, in the seventeenth century, New Englanders fished the banks themselves; but increasingly, into the eighteenth century, they contented themselves with trade alone. They received in return fish and coin and bills of exchange. The balance of payments was in their favor.

(2) THE WINE ISLANDS TRADE. To the Azores, the Canaries, and Madeira, lying in the eastern Atlantic off the coasts of the Iberian peninsula and north Africa, New England, New York, and Philadelphia merchants exported fish, provisions, live animals, and barrel staves. They obtained in return light and fortified wines, part of which were carried to England to pay off balances. Some of the wines were brought into colonial America. In this region, too, the balance of payments was in favor of the colonies.

(3) THE SOUTH EUROPEAN TRADE. To Portugal, Spain, France, and Italy, New England merchants (out of Boston in the seventeenth century, out of Salem in the eighteenth), sold fish,

timber, and Southern rice. Direct trade was almost completely forbidden with these countries, the imports, in small quantities, being lemons, limes, raisins, salt and olive oil. The returns therefore were in coin and bills of exchange. Again, the balance of payments was in favor of the colonies.

(4) THE WEST INDIA–AFRICAN TRADE. The most important trade of all was the triangular trade which included the Guinea coast of Africa as one leg, the famous Middle Passage across the Atlantic as the second, and the northern return journey from the Caribbean settlements as the third. Here, too, the balance of payments was in favor of the colonies. To Africa, increasingly in the eighteenth century to rival the slavers out of Bristol, Liverpool, and Nantes, went colonial slave ships out of Newport, Boston, Salem, and New York, with cargoes of domestic rum and iron and trade goods picked up in English ports. By the 1770s there were perhaps as many as seventy colonial ships in this traffic, each able to carry 65 Negroes. As an indication of its size and economic significance, one may note that the colonial slaving fleet was fully one third that of England's. Despite the hazards of the business and the necessity for quickly amortizing the value of the vessels (as a rule, in three years), the profits on each voyage were very large, perhaps in the neighborhood of 30 percent.

These Guineamen, as they were called, also purchased ivory, gums and bees wax. But the Negro trade was the most important of all; and the Negroes were moved, to a lesser extent, into the mainland colonies and, to a greater extent, across the Middle Passage to the sugar plantations of the Caribbean. The profits of the slave trade were taken frequently in coin and bills of exchange; therefore the full value of this triangular trade is not reflected in commodity movements.

Nor was this all. From the West Indies came large quantities of goods; to them were shipped most of the surplus Northern products which were banned in England. Northern merchants loaded their small swift ships (70 tons was a large vessel) with all those necessaries the sugar plantations were incapable of producing—work animals, lumber, staves, heads, barrel hoops, flour, salted provisions, refuse fish—and sold them originally to the English planters of Jamaica, Barbados, Antigua, Montserrat, and Nevis. But as the eighteenth century lengthened, more and more these Northern ships were to be found in the ports of the foreign islands and settlements. From about 1730 on, although the French and Spanish West Indies were legally closed to them, Yankee and New York captains had brought the whole Caribbean region from Dutch Guiana on the southeast to the Bahamas on the northwest into their sphere of influence. They were at home in Jamaica, of course (doubly so, not only because it was British but also because it was the center out of which the illegal traffic with the other islands was carried on); and equally at home in Spanish Havana, Vera Cruz and Porto Bello, in French Martinique, in Danish St. Thomas and St. Croix, and in Dutch Curaçao.

In all these ports, the Northern ships purchased indigo, cotton, ginger, allspice, and dyewoods, which were largely transshiped to England; and salt and a little coffee for the colonies; and—most important of all—sugar and molasses which were moved northward to the distilleries of Rhode Island and Massachusetts to be distilled into rum. It was this wondrous and heady beverage that flowed through the veins of the domestic Indian trade, the Newfoundland trade, and the African trade. In this wise, the cycle was completed and thus Northern business was able to prosper and grow, within the confines of mercantilist restraint, until 1763.

The First Molasses Act. Mention has been made of the fact that Northern merchants traded freely over the whole Caribbean region. This was important, of course, in the light of the existing mercantilist prohibitions. What was of even greater significance, as far as the English Mercantile System was concerned, was the fact that gradually the Northern merchants began to favor the non-English settlements as the

sources for their sugar and molasses. Now the mother country was touched at a vital spot, for the darling of the English imperial scheme was not the mainland colonies but the sugar plantations. The Board of Trade and Parliament, listening to the protestations of the sugar lords sympathetically, moved with energy and dispatch. In 1733, Parliament passed the Molasses Act, which placed virtually prohibitive duties on foreign-islands sugar, molasses and rum imported into the English colonies. But there was a fly in the ointment; the British were incapable of enforcing the law. The customs machinery in the colonies was weak and venal (notably at Jamaica, through which the foreign sugar cleared) and the naval patrols that could be allocated for enforcement and to run down the illegal traders were inadequate. Why? Because, from 1740 through the Seven Years' War, England was engaged in foreign wars almost continuously and the navy was required for military purposes.

Within this framework, therefore, what was in effect an illegal colonial trade could operate with impunity. All the merchants from all the Northern ports engaged in it; with their profits they built distilleries and made rum; rum moved into the African trade and the slavers flourished. In a sense, the foreign-islands commerce was the foundation stone of Northern mercantile prosperity and sustained the adverse direct trade with England. By the late 1750s at least 11,500 hogshead of molasses reached Rhode Island annually from the foreign islands, as against 2,500 from the British; 14,500 hogshead came to Massachusetts from the same foreign sources as against 500 from Jamaica, Barbados, and the other British islands. By 1750, it was estimated, Massachusetts had some sixty distilleries making rum, and Rhode Island some thirty. The manufacture of rum was undoubtedly the most important single industrial enterprise in New England in the second quarter of the eighteenth century.

4. *COLONIAL CURRENCY*

Mercantilist control affected the colonial economic life at another important point. This was the close regulation of the colonial money supply. In the second half of the seventeenth century and most of the eighteenth, the whole European world was affected by a dearth of minted money. The original Spanish silver mines in America were no longer in production. Bullion was being drained off into the East to be buried and removed from circulation. An expanding industry and commerce were clamoring for more elastic credit facilities. Commercial banking was still at a low point in development—bank money, created by the writing up of deposits, was virtually unknown—so that business transactions were largely carried on in coin, or foreign bills of exchange. The importance of coin to the mercantilist era was understandable. With this fact was joined the mercantilist insistence upon a favorable balance of payments, to be settled only by the movement of bullion.

The Program of Restriction. The colonial money supply was compelled to operate in terms of these limitations. The British program may be summarized in this fashion. It did not permit the exportation of English coin to the colonies. It compelled colonials to pay public obligations in coin whenever possible. It did not permit the colonials to prevent the exportation of coin, or indeed bullion, from America to the mother country. It refused to allow the erection of colonial mints and it regarded with a suspicious eye the efforts to augment the money supply by the emission and circulation of bills of credit. The colonial currency, despite the great need of credit for expansion at home and the settlement of obligations overseas, was tied to the English pound and kept tightly contracted.

There were special considerations that played a part in the determination of this policy. An independent coinage—if it were freed from the pound—might affect adversely the credits Eng-

lish merchants had advanced to colonials. Similarly, an independent, and an expanding, money supply might furnish those additional financial resources with which colonial businessmen would be tempted to expand their enterprise into avenues closed to them by the mercantilist system. Thus, the heavy burden of debt, the paucity of coin, and the absence of commercial banking facilities created an inflationary attitude in colonial America; the English, on the other hand, were deflationary. In 1764, after a long and unsuccessful contest against the colonial legislatures, England took a fatal step. In the midst of colonial depression, already aggravated by the sharp decline in the foreign-islands sugar trade, Parliament passed the Currency Act, which denied to all the colonies the right to issue and circulate paper money, the so-called bills of credit. The steps leading to this impasse must now be recounted.

Because of the scarcity of coin, in the seventeenth century all the colonies legalized the use of commodity money for public transactions. Exchange values were regularly fixed by law. Of course, it was impossible to compel the use of commodity money to settle private accounts, so that two price levels were actually in existence. All sorts of commodities were employed in this way—for the payment of taxes, the salaries of public officials, and the like. In New England and the Middle colonies, at one time or another, wheat, barley, rye, beef, pork, cattle, and peas were used as commodity money. In Virginia and Maryland, tobacco served this function. Necessarily, this was a poor makeshift. Commodity money had to be inspected, transported, and stored; it deteriorated; the market value of commodities often was lower than the official exchange ratios.

It was inevitable, therefore, that colonial governments should turn their thoughts to the establishment of provincial mints. Massachusetts, indeed, erected such an agency; for in 1652, during the interregnum at home, it began to strike off the famous pinetree shilling. Characteristic of the colonial attitude, this coin had a smaller silver content than the English shilling. But in 1684, the English crown, claiming that the issuance of the coinage was an exclusive privilege of sovereignty, outlawed the Massachusetts mint. No similar attempt was made elsewhere.

Another expedient was then tried. Foreign coins circulated freely in colonial America because of the favorable balances in the Caribbean trade and because, interestingly enough, piracy brought much of its ill-gotten gains into the ports of New York and Philadelphia right up to the end of the seventeenth century. Colonials were familiar with the following gold coins: the Portuguese Johannes and half Johannes, the Spanish Pistoles, and the French Guineas. The most familiar foreign coin, however, was the Spanish milled silver dollar, or piece-of-eight, which was officially valued at *4s. 6d.* In an effort to attract more of these coins into the colonies, legislatures took to overvaluing them. The piece-of-eight was revalued at *5s.* originally and then pushed up to as high as *8s.* in some of the colonies.

Again mercantilist policy issued a warning. The laws of Maryland and Virginia (as well as those of Barbados and Jamaica) were disallowed by the Privy Council. When this measure proved unavailing and South Carolina, Pennsylvania, New York, and the New England colonies followed the example of the planting colonies, the crown intervened. A royal proclamation was published in 1704 which established a uniform table of values for all foreign coins; the piece-of-eight was fixed at *6s.* In 1708, Parliament put teeth into the proclamation by threatening all violators with prison sentences.

Bills of Credit. The device of overvaluation having failed, the colonies turned to the emission of paper money. As early as 1690, the Massachusetts legislature had led the way when it had circulated short-term bills of credit, in effect promissory notes, in order to meet extraordinary expenditures arising out of military operations. These were really tax-anticipation warrants. They were to be retired after the lapse of a stipulated period, and were

to be used only for public purposes. In other words, they were not to be regarded as legal tender and could therefore be refused in the settlement of private debts. From time to time between 1700 and 1715 the Massachusetts example was followed by other colonies: Connecticut, Rhode Island, New Hampshire, New York, New Jersey, North Carolina, and South Carolina. Pennsylvania joined the others in 1723, Maryland in 1733, Virginia in 1755, and Georgia in 1760. It is important to note that up to about 1710, this device was used with restraint so that inflation did not set in.

But not for long. A number of steps were taken to lead the colonies inevitably down the road of a depreciated currency. In the first place, the bills of credit were declared legal tender, and penalties were imposed on those persons refusing to accept them in private transactions. In the second place, the dates of the collection of taxes on which the bills were based were pushed ahead, so that the issues virtually became a permanent paper currency. In the third place, taxes were not provided in adequate quantities with which to redeem the bills. In the fourth place, in some colonies, old issues were simply canceled and new ones struck off to replace them. Finally, to supplement the bills, every colony but Georgia authorized the creation of land banks with the right of note issue.

Land Banks. These banks welcomed the deposit of land mortgages and against them emitted notes, charging an interest rate of about 5 percent. South Carolina created the first in 1715. In Rhode Island the institution was particularly favored, and at one time or another nine such land banks made their appearance. In all, in this one colony, the issue of such notes came to £465,000.

Massachusetts sought to pioneer in still another direction. In 1740 its general court granted a group of private individuals a charter to form a "Land and Manufactures Bank." Capitalized at £150,000, the society was empowered to accept land as security for its stock and issue notes based on the real estate. Stockholders were to be charged 3 percent interest if they put up land as security for their subscriptions, and this could be paid either in bills of the society or in nonperishable raw materials or rough manufactures. Furthermore, every year 5 percent of the principal was to be amortized in the same way. Loans were to be paid off in bills or in commodities. The intention of the society was plain: it was seeking to create a device for the expansion of credit based on nonperishable commodities, largely agricultural produce. (It might be said, parenthetically, that the subtreasury scheme of the Populists of the 1890s was based on a similar thought; and so were the commodity loans made by the New Deal's AAA to the growers of agricultural staples.) The idea was welcomed, and in the first—and only—year of its operations the Land and Manufactures Bank issued notes totaling some £40,000. But Parliament quickly intervened. The precedent was too dangerous a one and might lead the way to the establishment of commercial banks. As a result, the moribund English Bubble Act of 1720 was invoked, the Massachusetts Bank was outlawed, and the subscribers were compelled to make good on the notes issued.

Depreciation and Intervention. It has been said that depreciation of the colonial currency followed because of these practices. In Massachusetts, it has been estimated, the value of sterling to paper money reached a maximum ratio of 11 to 1. In Connecticut, it was 8 to 1. In New Hampshire, it got to 24 to 1. In Rhode Island it was 26 to 1. In North Carolina it was 10 to 1. In South Carolina, it was 7 to 1. In New York and Pennsylvania, successful curbs were imposed and depreciation was held within narrow limits.

The English government sought to intervene through characteristic mercantilist means. It disallowed legislation and issued instructions to its governors to veto, whenever refunding for bills was not provided and whenever the colonies tried to make the bills legal tender. But by 1750, these measures had proved unavailing

and a headlong inflation was threatening; as a result, in 1751 Parliament stepped in and passed the Currency Act of that year. This law, directed at the New England colonies, forbade the creation of new land banks and once and for all declared that bills of credit could not be accepted as legal tender. Also, outstanding bills were to be retired at their maturities; new bills might be issued only when a tax base actually existed; and their terms might run for but two years for ordinary civil purposes and five years for military purposes.

The lightning struck in 1764. Parliament in this year extended the Currency Act to include all the colonies and tightened up the law. Provision was to be made for the retirement of all outstanding bills; even exceptions in the case of military expenditures were withdrawn. Contraction began to take place—notably in a period of business depression. Credit, already narrowly circumscribed, became even tighter, and bankruptcies followed. By 1774, when a slight business revival was already in operation, there was not much more than £2,400,000 in currency in all the colonies available for exchange requirements and for credit.

5. *COLONIAL BUSINESS DEPRESSIONS*

It is sometimes assumed that business fluctuations—cyclical waves of expansion and contraction—were brought into the modern world by industrial capitalism. This is not so: under commercial economies recurrent periods of good times and hard times have taken place. But this distinction must be had in mind: in preindustrial economies, panics and depressions largely have affected the commercial centers only; in modern times, their effects are universal. There were such business fluctuations in colonial America, certainly as far back as the beginning of the eighteenth century. Anne Bezanson and her associates have found that at Philadelphia a number of fairly well-defined short cycles can be charted against the background of two secular, or long-term, cycles.[2] The first of these long-term cycles ran from about 1720 to about 1744, and was marked by level or moderately rising prices. The second ran from 1744 to about 1784, and was marked by rising prices.

The second long-term cycle is of particular interest because of the nature of the shorter fluctuations that took place within it. From the summer of 1744 to the spring of 1749, there was a period of recovery; from 1749 to 1757, recession followed. With the outbreak of the Seven Years' War and the increasing engagement of colonial businessmen in it—in supplying the British armies and in illegal trading with the enemy—the price curve once more moved upward. Another period of recovery and prosperity occurred, lasting until 1763. Then, with the termination of the war, the tightening up of the mercantilist controls, the stringency of money and credit, and the enacting of new fiscal measures by Parliament (the Stamp Act of 1765, the Townshend Acts of 1767), confidence waned. A recession set in, which reached depression levels during the greater part of the years 1764–69. There was a brief recovery in 1770–72, and once more recession in 1772–75.

These experiences of Philadelphia were duplicated in the other commercial centers. That is to say, there were good times as a result of the war with France, and hard times with the end of the war and England's rigorous enforcement of the Acts of Trade and her deflationary policy. The periods of recession of 1764–69 and 1772–75 are to be noted: unemployment, falling prices, tight credit, bankruptcies, and additional fiscal burdens went hand in hand with political unrest and the challenging of the Mercantilist System.

[2] Anne Bezanson, and others, *Prices in Colonial Pennsylvania* (Philadelphia, 1935).

6. *THE TIGHTENING OF THE MERCANTILIST SYSTEM*

The successful termination of the war against France left England in undisputed possession of Canada, the American West (up to the Mississippi River), and the East Indian trade. She emerged with a large national debt. And she was confronted by a Mercantilist System, which, as far as the colonies were concerned, was in sad disrepair. With all these problems, English imperial policies in the next decade were concerned and were carried out, in terms of the characteristic mercantilist outlook. The English program did not mark a break with mercantilist policy; rather, the intention was to strengthen it. The tightening up and the rigorous enforcement of the Acts of Trade and Navigation—which virtually put an end to the profitable and necessary colonial import-export trade with the foreign sugar islands—was part of mercantilist policy. So was the Currency Act of 1764. So was the expansion of the enumerated commodity list in the same year. So was the closing off of the West, under the Proclamation Order of 1763. So was the monopolization by England of the wine trade. So was the order that excise taxes be paid in silver.

Smuggling. The attack on the illegal West India trade was pushed with energy. As early as 1761 the colonial courts were directed to issue and enforce writs of assistance, or general search warrants, for the purpose of hunting down smugglers. In 1763, the royal navy was converted into a coast patrol. In the same year absentee sinecure holders in the customs service were ordered to their colonial posts. In 1764, a vice-admiralty court was set up for all the colonies to try offenders against the Acts of Trade. In 1768, a new board of five customs commissioners, resident in America, was installed. Everything that could conceivably be thought of was tried out in an effort to smash the trade with the foreign sugar islands. Informers were encouraged; judicial salaries were freed from dependence upon the pleasure of provincial assemblies; customs officials were guaranteed against personal liability if their zeal took illegal forms.

New revenue acts were passed in 1764 and 1765, the second including the hated stamp duties. What is frequently overlooked, however, is that these acts contained characteristic mercantilist devices calculated to contract the spheres of colonial business enterprise. Thus, provision was made for the payment of the new taxes in specie, thereby further draining the colonies of their available currency supply. In proper mercantilist fashion and to tempt colonial capital out of trade and into raw-material production, bounties again were offered to growers of hemp and flax and the English import duties on colonial whale fins were rescinded. The enumerated list was expanded to include lumber, hides and skins, pig and bar iron, and pot- and pearl ashes. In 1766, all remaining nonenumerated articles—flour, provisions, and fish—destined for European ports north of Cape Finisterre were ordered landed in England first.

The Second Molasses Act. The Sugar Act of 1764, by reenacting duties on molasses and refined sugar and forbidding entirely the importation of foreign rum, was a further blow at the hated foreign-island trade. In the same act, high duties were put on wines from the Wine Islands, and on wines, fruits, and oil from Spain and Portugal brought directly to America. On the other hand, the duties were to be nominal only, if these commodities were imported from England. Also in 1764, import duties were levied upon popular French luxury articles at colonial ports for the first time; and, in the next year, the importation of French silk stockings, gloves, and mitts was entirely banned. To complete the tale, the passage of the Currency Act of 1764, curtailing sharply the issue of colonial bills of credit, must once more be mentioned.

There can be no question that such conduct, in the midst of a bad depression, only succeeded in further limiting business activity. Colonial merchants and their legal spokesmen knew this. Thus, a memorial drawn up by New York businessmen in 1764 directly linked hard times with the contraction of the foreign-islands trade and warned Parliament that the enforcement of the old Molasses Act of 1733 "must necessarily end not only in the utter impoverishment of His Majesty's northern colonies and the destruction of their navigation but in the grievous detriment of British manufactures and artificers and the great diminution of trade, power, wealth, and naval strength of Great Britain."

The colonial clamor against the Stamp Act brought about its repeal in a year. The unpopular Townshend duties, imposed on paper, paint, and glass in 1767, were also withdrawn in 1770. A small tax on tea was allowed to remain but even this was reduced further in 1773, when a new Tea Act provided for a full drawback on the English import duties if the tea purchased was of British origin.

The Tea Act. The Tea Act came in 1773, once more in the midst of colonial depression. On the face of it, it seemed a conciliatory gesture. But this was the silken glove that concealed the iron fist. For the act also stipulated that the East India Company, long the pet of British officialdom, and now as before in financial difficulties, was to have the power of moving through its own agencies the tea of its overstocked warehouses into the colonial market. It was estimated that the company held something like 70,000,000 pounds of the leaves. What did this mean? With the drawback on the duty, Holland tea, which had been handled by colonial merchants themselves, was to be driven out of America. In the second place, by using its own ships and agents, the East India Company was going to cut down the already dwindling profits of colonial carriers, handlers, and retailers.

Arthur M. Schlesinger, in his notable monograph,[3] has indicated why the merchants of New York, Philadelphia, Boston, and Charleston were quick to take alarm. It was more than a matter of tea alone. Their spokesmen pointed out

> that the present project of the East India Company was the entering wedge for larger and more ambitious undertakings calculated to undermine the colonial mercantile world. Their opinion was based on the fact that, in addition to the article of tea, the East India Company imported into England vast quantities of silks, calicos and other fabrics, spices, drugs, and chinaware, all commodities of staple demand; and on their fear that the success of the present venture would result in an extension of the same principle to the sale of the other articles.

The Boston Tea Party and similar manifestations elsewhere were not larks but unmistakable signs of a determination to be freed once and for all of oversea domination over the economic life of the American mainland colonies.

The Land Proclamation. There was another area in which resentments flared up. Attention has been called to the fact that Philadelphia and Albany merchants and Southern landlords had become deeply involved in the fur trade and the wild-land jobbing of the West. Southerners, especially, whose tobacco operations had not been too successful in the late 1760s, had been turning to these activities to recoup their fallen fortunes. The revitalized imperial policy dealt them a staggering blow. Presumably in the interests of working out a plan for the governing of the new region acquired from France in the American West and for putting Indian relations on a permanent footing, the Proclamation Line Order of 1763 virtually closed the whole region to colonial enterprise. Political controls were taken out of the hands of colonial governors and placed under imperial agents. Settlements were ordered abandoned. Meanwhile, agents of American companies, organized to exploit the fur trade and land promotion, cooled their heels in the ante-

[3] Arthur M. Schlesinger, *The Colonial Merchants and the American Revolution, 1763–1776*. (New York, 1917).

rooms of British politicians in London while long delays prevented the granting of charters.

The Western program, as it was finally devised in 1774 under the Quebec Act, choked off another avenue for colonial enterprise. In the whole great domain north of the Ohio and south of Virginia, colonial speculators and settlers were shut out. The land companies were denied charters. The claims of the colonies to Western lands were brushed aside. The English crown could argue that the intention here was the quieting of the suspicions of the Indians. But colonials were skeptical, particularly when it became known that English subjects were receiving special favors. The same was true of the fur trade. The Quebec Act had as one of its intentions the diverting of the fur trade from New York and Philadelphia to Montreal. That is to say, using a licensing system, the crown provided that traders were to operate under the eye of the governor of Quebec. It was apparent that British, as opposed to colonial, companies were to be favored.

To all these disabilities, the representatives of all the colonies, meeting in the First Continental Congress in 1774, replied with the Continental Association. This was an embargo on English goods and so thoroughly was it enforced that imports from England almost entirely disappeared in 1775. But by that time the American Revolution had already broken out.

7. *BACKGROUND OF THE AMERICAN REVOLUTION*

Bases of Separatism. It would be idle to imply that the necessity for breaking out of the closed circle of mercantilist restraint was the only impelling force that precipitated the American Revolution. There were other forces at work. The physical fact of separation by an ocean that was 3,000 miles wide and long weeks in the crossing was bound to have its effects. American institutions and the American character were forged in a climate that had many independent and novel features about it. Attention has already been called to the fact that the very act of migration across the seas constituted a kind of psychological release. And, in this sense, the loyalties of Americans to European institutions never could have the firmness and the matter-of-factness displayed by Europeans themselves. Adjustments to frontier living inevitably strengthened this awareness of independence. In this sense, the able exponent of the frontier theory of American history, Frederick Jackson Turner, has been right, of course. The American Revolution represented a conflict between a settled society and one whose social and economic relations were in a fluid form: old and new, ancient and young, turned on each other. They do not, always, of course. Nova Scotia and the British sugar islands, also young and also frontier settlements, and which also had to pay the Stamp and Townshend duties, did not join the Revolution. The point is, simply, that the will to independence is a complex of forces in which are combined economic, psychological, political, and philosophical influences.

Political Reasons for Separatism. Politically, the pull to independence was powerful. Englishmen, during the second half of the seventeenth century, had carried on a struggle for the curbing of the crown's absolutism, and they had been successful. The royal prerogative was so hedged about, so narrowed down, that, in time, it became nothing more than a symbol of state sovereignty. Notably by the Bill of Rights and the Mutiny Act of 1689, the capstone on the work of the English Revolution had been erected; Parliament was now supreme. It was inevitable that Englishmen overseas should seek to achieve comparable liberties.

Under their charters, colonials were ruled

by a governor, a legislature (of two houses), and a judiciary. The governor, except in the cases of Rhode Island and Connecticut, was appointed either by the crown or the proprietaries. The judiciary was selected by the governor, with final appeal from judicial decisions in England. The upper house of the legislature, the council, was also usually appointed by the governor. The lower house, the assembly, was popularly elected, although, throughout most of the eighteenth century the franchise was based on property and only property-owners might hold office.

By the opening of the eighteenth century, those victories that Parliament had gained at home were being pressed for in colonial legislatures. Because England made no effort to support the royal governors—indeed, it insisted as a general rule that the colonies be self-contained financially, so that even colonial wars had to be financed in considerable measure by the colonials—these administrators were being compelled more and more to accept the primacy of the colonial assemblies. These bodies insisted upon the right to initiate legislation; more important, they demanded the right to control the colonial finances—to tax and to pass money bills. They obtained both—and moved on to virtual independence. Freedom of speech on the floor, the establishment of their own rules, the right to pass on legality of elections—these became recognized powers. It should not be inferred that the English government yielded at every point. The assemblies were not permitted to control their speakers, to fix regular elections, or to establish new districts. They were not allowed to override the governor's veto. And, of course, as we have already seen, where the rights and privileges of English economic interests were threatened, the crown and Parliament stood firm. Yet, on balance, it may be said, popular sovereignty triumphed.

Fiscal power was the agency. The royal governors came to accept annual salaries from the hands of the assemblies. They were forced to give their assent to appropriation bills—particularly for military purposes. They were compelled to suffer the appointment of provincial treasurers. With the control over the purse, the assemblies were in a position to clip the wings of the governors and subordinate increasingly the executive branch to the legislative. The home government recognized this as it did also its inability to cope with the situation.

A similar development was occurring in the judicial sphere. Under the English law, the governors were permitted to appoint the judges; and they held this right despite efforts on the part of colonial assemblies to limit judicial office to good behavior. But the assemblies were not powerless, for, again through the right of appropriation, they could force judges to accept legislative surveillance and control.

Thus, a kind of colonial self-rule was emerging; but always there stood in the background the specter of the royal prerogative. Ironically, at home in England, it had been shorn of power; overseas, in the colonies, it was employed to maintain the inferior position of the colonies. The colonies had control over their own fiscal policies but Parliament had not granted this as a right. They had subordinated the governors to the assemblies; but again, this had not been formally conceded. After 1763, Parliament tried—through the royal prerogative—once more to subordinate the colonies particularly in the financial sphere. As the preliminaries of the Revolution developed, colonials might justly contend that they were only seeking to extend those rights to America which Englishmen had acquired for themselves as a result of the Puritan and Glorious Revolutions. The Declaration of Independence taxed the crown with many derelictions; this was natural, for Parliament was employing the symbol of the royal prerogative to attack liberty.

Religious Reasons for Separatism. The colonials had drunk deeply from the fount of independency as well. The Separatism of the English Levellers of the 1640s—of Lilburne, Winstanley, Bellers, and others, in that first English company of equalitarians—after all had taken firm root in America; more so, indeed, than in

England. Roger Williams and the Rhode Island experiment sprang from the loins of English Separatism. Descendants of Separatists were to be found elsewhere in the American colonies. Also, in the eighteenth century, notably in the back-country regions, the Methodism of Wesley and Whitefield set the emotions of men on fire—and stimulated them to critical examinations of prevailing institutions.

The line from independency in religion to natural rights in politics is a straight one. From Winstanley and Bellers to John Locke and Thomas Jefferson the arrow's flight is true. Americans were the children and the inheritors of the Puritan Revolution. That Thomas Jefferson (and Benjamin Franklin and John Adams, and many other colonials) should have read and venerated John Locke, the great spokesman for Englishmen's liberties, was perfectly natural.

The Declaration of Independence. The influence of Locke on Jefferson is there in the Declaration of Independence for all to read. Civil authority is established to maintain order and to guarantee the natural rights of the citizens to life, liberty, and the pursuit of happiness. A social compact is entered upon between the people and their sovereign for the maintenance of these natural rights and to assure the continuance of the ruler's powers. But this compact is not inalienable: its life is to continue as long as both parties are ready to act in good faith. And who speaks for the people? Their duly chosen representatives. Liberty is safeguarded because natural rights are inalienable; the social compact is terminable when tyranny raises its head, and because in the final analysis sovereignty is in the people itself. So John Locke in 1689 and Thomas Jefferson after him in 1776. Just as Englishmen had laid down their lives in 1640 and in 1688 in defense of these imperishable principles against the tyrannical conduct of Charles I and James II, so Americans were ready to do similarly in 1776 against the tyrant George III.

This is why the Declaration of Independence clearly speaks out against the "abuses and usurpations" of the English crown. This is why it declares simply that Americans had the right, nay the "duty to throw off such government, and to provide new guards for their future security." This is why there is catalogued a long series of "injuries and usurpations" suffered at the hands of a crown which sought to impose "an absolute tyranny over these states." This defense of liberty was no made-to-order ideology drawn up by logic-chopping lawyers, but an idealistic credo as truly a part of the American people as was their confidence in divine justice.

8. WINNING THE REVOLUTION

Winning the war with England was no easy task. The Americans possessed no trained army. They were compelled to improvise a manufacturing industry in order to supply the men in the field. There was no centralizing authority with fiscal powers and control over commerce; nor was there a machinery to marshal opinion and hunt down dissent. Nevertheless, the Revolution was successful, thanks to the devotion of the commander-in-chief George Washington and the timely assistance rendered by the French, the Dutch, and the Spanish.

We may see the tasks of the American Revolution as four. The first was the achievement of victory on land and sea. The second was the financing of the war. The third was the crushing of disloyalty at home. The fourth was the creation of stable political, social, and economic institutions.

The Military Task. To overcome the inadequacies of the domestic economy, cribbed, cabined, and confined by mercantilist restraint, was not easy. The troops under Washington required cannon, arms, and ammunition; they needed clothing; they demanded great supplies of blankets, cloth, flint, tin, copper, and salt.

The state governments did what they could to encourage domestic production. They made money grants and offered tax remissions and monopoly privileges to industrialists. Before long, cloth, powder, gun, and cannon factories were operating. How extensive this activity was is revealed in Alexander Hamilton's long catalogue in his *Report on Manufactures*. But it was not enough. Resort to Europe must be made.

From 1777 on, unofficially, from 1778 on, officially, first France, then Spain, then Holland threw in their lot with the struggling thirteen states. France began to send supplies from the Continent as early as 1777; goods from the West Indies seeped through the British blockade as well. In 1778, France recognized the United States of America and entered into a commercial and military alliance. In 1779, Spain declared war on England; in 1780, because the Dutch had come to the assistance of the Americans, England declared war on Holland. French and Dutch credits, the French fleet, even a French army: all aided in making the outcome a favorable one.

The Financial Task. Because of the limitations imposed on the Continental Congress—it was not given independent taxing powers—the financing of the War of Independence presented almost insuperable difficulties. Thanks to European good will, credit could be obtained on the Continent. The French crown made outright grants, these subsidies coming to perhaps $2,000,000. Another $6,000,000 or so was lent by the French government. Private Dutch bankers, as the war was drawing to a close, raised something like $1,300,000. The Spanish government lent $200,000. These helped in the flow of badly needed materials across the seas.

Obviously, such foreign loans were inadequate; additional funds must be had by domestic borrowings. The Continental Congress floated, at home, long-term bonds and short-term certificates of indebtedness. The total of the former was $67,000,000; of the latter, $17,000,000. In addition, the states themselves borrowed, in all, something like $25,000,000 to aid the war effort. On its face, this looked impressive. It is important to observe, however, that Congress's inability to tax, the reluctance of the states to do so, and the cloud of uncertainty that hung over the revolutionary cause to the very end, vitiated these financing efforts seriously.

The loans could not be floated on a specie basis. They were subscribed to in paper notes of constantly falling value; and as governmental credit weakened, the resort to the printing presses became more common. Indeed, it may be said that on the somewhat more than $100,000,000 of revolutionary loans floated, not more than $16,000,000 to $20,000,000 was realized in specie. Thus, the spiral of inflation was begun; it ended, as one might expect, with the existence of a universally valueless paper currency.

It has been said that the Continental Congress could not tax; it was given only the power to request fiscal support from the states. Here it was generally unsuccessful. In the two years from November, 1777, to October, 1779, Congress called on the states for $95,000,000. It received less than half this sum, of which the specie value was about $2,000,000. With the collapse of the first Continental paper issues, Congress in 1780 sought to obtain requisitions in kind. Having failed here, in 1781, it tried to raise among the states $10,000,000 in specie. It received something like $1,600,000.

The resort to paper bills was inevitable in such a situation. The matter was worsened when the states made the same move. Beginning in June, 1775, the Continental Congress took to financing the war expenditure with bills of credit. In the first year $6,000,000 was issued; in 1776, the total came to $19,000,000; in 1777, to $13,000,000. By that time, depreciation was marked. Therefore, in 1778, the issues totaled $63,000,000 and in 1779, $140,000,000. At the end of 1779, inflation had reached the point where a continental paper dollar was worth 2½ cents in silver.

A desperate effort was made to begin all over

again, and in 1780 the "old tenor" issues were called in at a ratio of exchange of 40 to 1. In this way, some $119,000,000 out of the $240,000,000 continental paper was redeemed and destroyed. A more cautious policy was inaugurated in this same year, when only $4,000,000 in "new tenor" bills of exchange were issued. The ratification, finally, in 1781, of the Articles of Confederation made possible the establishment of a somewhat more stable system of public financing; while the end of the war, with the resumption of the West India trade, once more brought foreign coins into the country. It is also to be noted that the appointment in 1781 of Robert Morris, a man hostile to fiat money and devoted to the principles of free enterprise, to the post of Congressional Financier, helped to ease the strain.

State issues of bills of credit were as large as the Continental issues, coming to a total of $250,000,000. Virginia was responsible for fully half of the state paper; North and South Carolina between them issued another one third. Depreciation and repudiation were the inevitable concomitants. Virginia finally set an exchange value in specie for the redemption of its notes at 100 to 1; the North Carolina rate was 800 to 1; while the other states paid off their notes at ratios ranging from 40 to 1 to 100 to 1. By 1782, the state "old tenor" bills were pretty generally outlawed.

A price inflation naturally followed, as much from the collapse of public credit as from the scarcity of commodities. The inadequacy of production, the effectiveness of the British blockade, hoarding prompted by the general uncertainty—these helped to push prices upward. No devices could curb the rise. Extraordinary committees in the several states took measures in their own hands and treated speculators harshly. The states tried to prevent monopoly activities and forestalling; they passed price-fixing laws. Such statutes were written in Pennsylvania, Connecticut, Massachusetts, New York, and New Jersey. Interstate compacts were attempted. In December, 1776, the New England states held a price convention and drew up schedules of prices and wages based on the paper bills. In January, 1778, they tried once more, this time seeking to freeze prices at an advance of only 75 percent over those prevailing in 1774. Both attempts met with failure.

These were terrific odds to contend with. The collapse of Cornwallis's army at Yorktown in 1781 and the writing of a peace treaty in 1783 came just about in time to permit the American people to reorder their domestic house. The Treaty of Paris was half a loaf; but it was better than none. The independence of the United States of America was recognized; but it was not until 1795, under the Jay Treaty, that England was prepared to grant Americans nondiscriminatory commercial rights in the English market and limited rights in the West India market. The Mississippi River was fixed as the western boundary, with free navigation until the port of entry—that is to say, New Orleans—was reached. In view of the fact that both Floridas were turned back to Spain, it was necessary for the new republic to deal with that European power as far as port regulations were concerned. The American government recognized the validity of the prewar private debts owed to English houses; and it promised to recommend to the states that they restore confiscated loyalist properties. This last, obviously, embodied only a pious hope.

The Task of Putting Down Disloyalty. Thus, the first two tasks of the Revolution, the winning of the war and its financing, were achieved. The third, as has been said, was the putting down of disloyalty at home. This was accomplished with fire and the sword; indeed, it represents one of the dark chapters in the annals of the period. The patriots of the Revolution did not have it all their own way. In fact, as John Adams recalled it, but one third of the population supported the revolutionary cause, one third was indifferent, while another third was actively hostile and aided the crown openly or surreptitiously. Upon these—an older literature called them Tories, more recently they

have been referred to as "loyalists"—the patriots wreaked their vengeance.

Who were these loyalists? By and large, they were to be found in the upper rank of colonial society: the royal officeholders, the Anglican clergy, most of the large landowners of the Middle colonies, most of the Southern merchants. The Revolution did not cut like a knife horizontally through the layers of the colonial people, converting the well-born and rich into loyalists and the small propertied men and artisans and mechanics into patriots. Men took sides regardless of class differences. But certain special interests, those referred to, were more closely allied with crown privileges than others; and these challenged the patriotic pretentions.

With the outbreak of the Revolution, customary governmental agencies broke down. The new states set about the task of creating new governmental forms; but until these were installed, power was in the hands of extraordinary committees. These so-called Committees of Safety—and there were local as well as statewide units to be found in all the thirteen commonwealths—set about the task of maintaining order and stimulating support for the war. They gathered arms and supplied the men in the field with all their necessaries; they sought to curb speculation and profiteering; they sat as courts; they issued letters of marque and reprisal to privateers; they authorized and helped finance domestic manufacturing; they emitted bills of credit; they watched the loyalists, rounded them up, sequestered their property. Sometimes, supreme state committees continued to operate even after constitutions had been written and regular governmental authorities created. So, in New Hampshire, such a committee was in regular session from 1778 to 1784. In Pennsylvania, a committee sat until 1777; in New York and New Jersey until 1778; in Connecticut until 1783.

The loyalists were harshly treated physically. Some were undoubtedly informers and saboteurs; but the innocent suffered with the guilty as homes were burned, belongings were seized, men were shot down or imprisoned, and scores of thousands—perhaps as many as 100,000—were driven into flight. The process of confiscating or sequestering loyalist property went on systematically. First, of course, the ungranted crown lands and the estates and claims of the proprietors of Maryland and Pennsylvania were seized. Then the real property of those who had fled or who were known to support the crown was taken over and sold to discharge claims against the English government. In all the states, it has been estimated, loyalist property losses ran to about $50,000,000.

The Task of Creating Political Institutions. Meanwhile, as the fourth task of the Revolution, permanent political institutions were being created. During preparation, a contest between right and left factions among the patriots reached fever pitch. In some states, the radicals quickly seized control and wrote leveling state constitutions. In others, they were defeated, with the result that the frames of government were more conservative. In still others, they were held at arm's length until the revolutionary fires had burned themselves out; and then the more moderate influences took over.

In these debates and controversies over the forms of state government we find the origins of Jeffersonian democracy. As has been said, the connection with Leveller theory and Lockian doctrine is clear. The radicals were democrats: they were fearful of a powerful executive; they sought a larger measure of popular control over executive and judiciary; they wanted the recognition of local rights. These radicals, too, were populists in the American sense: because they were agrarians and debtors they pushed for the passage of the easy-money legislation to which reference has already been made.

The leveling constitution written by the radicals in Pennsylvania in 1776 was typical of the sentiments of this group. This document granted the franchise to all tax-paying freemen, whether they were freeholders or not. It contained a bill of rights. It provided for a single-chambered house which was to choose the

state's civil and judicial officers. To prevent usurpation, it created a multiple executive and a council of censors; the latter was to meet every seven years to decide whether government was acting in conformity with liberty and justice. The constitutional conventions of North Carolina, Delaware, New Hampshire, and Georgia drew up somewhat similar fundamental laws. Generally, it may be said, the following were their characteristics: Qualifications for voting were made more generous, although universal manhood suffrage did not come in the eastern states for another two generations. The rights of the back country to legislative representation were recognized. Local governments for new regions were provided. The powers of the legislature, at the expense of the executive, were expanded. Only the popularly chosen house might originate money bills. The veto power of the governor was either abolished or drastically curbed, and the governor himself was to be either elected or named by the legislature. His term in office, as well, was to be short. Similarly, efforts were made to control the judiciary, which was to be elected by the voters or the legislature and which might be removed easily.

The radical forces did not have their way everywhere. In Rhode Island and Connecticut they were not permitted to write constitutions, despite the fact that in the former at least they were completely in control. A New York constitution and a Massachusetts constitution, written later, were more conservative documents. In fact, the conservatives recaptured power in New Hampshire in 1784 and in Pennsylvania in 1790. For an interval, at any rate, the democratic forces were being checked.

The Articles of Confederation. The conservative tendency appeared also in the central government. The writing and final ratification of the Articles of Confederation marked another victory for moderating influences. The Articles of Confederation had been drawn up in the Continental Congress late in 1777 and submitted to the states for unanimous ratification. The last, Maryland, did not do so until March, 1781; so that it was not until the Revolutionary War was virtually over that "a perpetual union" and a "league of friendship" was created. The Articles did not mean a strong central government; but they were a decided advance over the faltering rule of the old Congress. In any event, the conservatives were pleased, so much so that one of their opponents wrote: "Toryism is triumphant here. They have displaced every Whig but the President."

Under the Articles, whereby each state was to have a single vote, the central government received only limited powers. There was to be no independent executive department or a permanent judiciary. The powers granted to the Congress were direct and explicit; all those ungranted were reserved to the states. The Congress could not levy taxes; nor could it regulate domestic commerce. Its financing was founded largely upon the requisition system; and in this case, levies upon the states were to be apportioned on the basis of the value of real property. It was, however, given the right to write commercial treaties with foreign powers and to regulate Indian affairs. Its greatest triumph was the establishment of a public domain. Because of conflicting state claims to Western lands, the decision was taken to turn over all these territories to the central government. The Ordinance of 1785, for the governance of the Western regions, flowed from this cession. By 1786, in fact, all the states but North Carolina, South Carolina, and Georgia had turned over their rights; the result was, the sale of public lands to freeholders constituted an important element in central financing.

Beside the reservation of ungranted powers, the states limited the Congress's scope in other ways. The consent of at least nine states was necessary for the enactment of legislation affecting the coinage, the issuance of bills of credit, the borrowing or appropriations of funds, and the declaration of war. In this connection, it is interesting to observe that the states refused to allow the Congress to pass tariff legislation, although only light import duties were proposed. Finally, the states reserved to themselves ex-

plicitly the sole right to enact legislation affecting contracts; they also had the rights to coin money and issue bills of exchange. Here was the point, apparently, where the populists would not yield.

Results of the Revolution. Despite these uncertainties, the Revolution was won, the connection with mercantilism was ended. Business enterprise had a freer world in which to range. Many inequities were wiped out. And real advances in the direction of the achievement of democratic rights were made.

As far as *foreign trade* was concerned, the end of mercantilist restraint permitted the development of direct channels of intercourse with the European continent, the colonial possessions of the continental powers, and with the Middle and Far East. The glorious days of the India and China trades were to revitalize American mercantile fortunes. As far as the domestic trade was concerned, the push across the mountains into Kentucky, Tennessee, and the Western Reserve was to open new markets for Eastern businessmen.

As far as *manufacturing* was concerned, freedom made possible new avenues for enterprise. Stimulated by wartime necessity and state aid —bounties and prizes, tariff walls—manufacturing sprang up in a vast variety of fields. In addition to cannons, guns, and powder, Americans took to making ironware, pottery, textiles, paper, glass, leather goods, notions. The capitals involved were not great and organizational forms were still at preindustrial levels in many fields—that is to say, the iron plantation and the putting-out system existed. There were a number of reasons why a real industrial renaissance was deferred in America for at least three generations more. The early American tariffs, both state under the Confederation and federal under the Union, were not prohibitory; English goods therefore flowed into America in an unabated flood. In the second place, capital found more remunerative returns in other areas of enterprise: in banking, the building of public works, the opening up of the wild lands of the West, the improvement of urban real estate, notably in the domestic and foreign trade.

As far as the *land* was concerned, the gains were notable. The ungranted crown lands were taken over by the states of New Hampshire, New York, Virginia, North Carolina, South Carolina, and Georgia. With these were swept away feudal carry-overs: the quitrents and the rights of the King's Woods, by which royal agents had claimed the tallest and best stands of timber for the king's navy. Likewise, the prohibitions against settlement in the region beyond the crest of the Appalachians, under the Proclamation Order of 1763 and the Quebec Act of 1774, were flouted. Eager colonists and land agents—by 1790 some 221,000 persons—pressed into Kentucky, Tennessee, the Western Reserve, and Wabash countries, and into the Southwest.

Proprietary and absentee estates were seized —the ungranted lands of the Penns and the Calverts, the great Granville holdings in North Carolina, the five million acres belonging to Lord Halifax in Virginia. Reference has already been made to the treatment of the real property of loyalists. By Congressional enactment and by action of state Committees of Safety and legislatures, property was taken over, sold, and the proceeds converted into central and state loan certificates.

The *democratization of land tenure* made giant strides. The attack was directed chiefly against those feudal props of land concentration—entail and primogeniture. The elimination of the right to entail estates began early. South Carolina passed such a law in 1775, Virginia in 1776, Georgia in 1776 and 1777, North Carolina, Maryland, and New York in 1784 and 1786. By 1790, the reform had been completed everywhere. As regards primogeniture, the task of ending it and establishing equal inheritance for all children was begun during the Revolution and completed by 1800.

Another great democratic achievement was the *disestablishment of churches.* The Anglican Church had been established by law in many of the colonies; that is to say, it had special

property rights, its clergy were paid out of taxes, and all inhabitants were required to attend services. The new state constitutions struck at ecclesiastical privilege and disestablishment was provided for by Maryland, North Carolina, and Virginia, all in 1776. Similarly, the fundamental laws of New York, Georgia, and South Carolina guaranteed freedom of worship to Christians of all sects. The very first clause of the first Amendment to the Constitution closed the door for all time to the creation of any church establishment in the United States. In the same democratic spirit, the Southern states moved to stop the wretched African slave trade; while a number of the Northern states provided for gradual abolition. Attacks were directed against the cruel penal codes the colonists had brought over from England. And, under the influence of the Enlightenment, some of the state constitutions provided for popular education.

Despite the swing of the pendulum in the opposite direction during 1783–1800, great and lasting gains in the achievement of democratic rights in the economic and political fields had been won by the Revolution.

THE AMERICAN MIND

JONATHAN EDWARDS

THINKING MAN concerns himself with the world he sees, the relations of men in that world, and the reasons why man and that world exist. Prerevolutionary America had raised no wall of specialization between those disciplines; it was still possible for the same person to have a fruitful interest in all three. The old hierarchy of learning had not yet been altered, to be sure: physical science was still an avocation, the social studies had only begun to emerge as a separate branch of inquiry, the proper interest of the American scholar was his God. Cotton Mather and Jonathan Edwards both were concerned with their fellow men and the natural world: Mather was chosen a fellow of the Royal Society; Edwards's youthful observations on spiders won admiration from a professional entomologist more than a century later—but neither would have considered science as more than a secondary interest. Nothing less than the effort to comprehend the purpose of the universe was worthy the full attention of a Christian scholar.

But while Edwards was setting forth the worthlessness of the natural man, Benjamin Franklin was trying to improve that same complex creature. Whatever the proper task of the professional man of learning might be, the business of man in society was the better understanding of his physical and social world. As Edwards stimulated and tried to guide the emotional forces that produced the religious revival of the 1730s and early 1740s, so Franklin expressed the active, secular, bustling spirit which found so much to do that it could dismiss the claims of eternity with a benevolent deism.

As Cotton Mather looks forward to Franklin in scientific interest and practical benevolence, though not in religious philosophy, so Jonathan Edwards (1703–1758) looks forward to Emerson in his emphasis on intuition and emotion, though the Transcendental reliance on an unchecked inner witness would have seemed mere "enthusiasm" to him. For Edwards's appreciation of the emotional aspects of the spiritual life did not make him indifferent to logic. He refused to forego either rapture or reason. Each had its place in religion and the Christian life, but neither could bring a valid message unless that agreed with Scripture.

Such concern with authority came naturally to a man whose mother was descended from a ministerial family and whose father had returned to the ministry after two American generations had worked and prospered at the cooper's bench. Jonathan Edwards began training for his lifework when he entered Yale at thirteen. His student record of thought and reading as a youth newly exposed to John Locke and Ralph Cudworth shows him a keen reasoner and an apt builder of systems. The Platonic idealism which he found so congenial in Cudworth was the base of much of Edwards's later thinking, though he never worked in a metaphysics separated from his religious interests.

After two years of graduate study followed by a period of tutoring at the college, he turned from scholarship to practical work in the ministry and, in 1729, succeeded to his maternal grandfather's pulpit at Northampton. Here Edwards married, reared a large family, studied and labored to waken his congregation from religious lethargy. By 1735, first the young people and then their elders were roused to concern for their sinful state. Northamp-

ton experienced a season of spiritual renewal eloquently set forth in Edwards's *Faithful Narrative of a Surprizing Work of God* (1737). This pamphlet was widely read, both in the colonies and abroad, and probably had considerable influence in setting the pattern for the Great Awakening of the 1740s and for subsequent religious revivals. Though George Whitefield's preaching had a wider and more direct immediate influence in 1740, it was Edwards who defended the whole revival movement when reaction from its extravagances had brought it into discredit.

Edwards's concern with the experience of conversion, which lay at the root of the faith encouraged by revivals, led him to views which his congregation could not share. Since only a change of heart could make a Christian of an inherently corrupt "natural man," none but those who could profess belief that such a change had occurred in them might properly be admitted to the Lord's Supper. Though Edwards's was the more ancient opinion, all the practice of the last generation contradicted it and his congregation refused to deny the sacrament to people instructed in doctrine and seemly in life because they could not sincerely state that they had been converted.

This theological dispute, embittered by long-standing quarrels and dissensions within the town of Northampton, finally led to Edwards's dismissal in 1750. The following summer, he went to Stockbridge as a missionary to the Indians settled there. In this Massachusetts frontier community he lived and worked for the seven years that produced his best-known book, *The Enquiry into the Freedom of the Will* (1754), together with his defense of the doctrine of original sin and the posthumously published treatises on the nature of true virtue and the end for which God created the world. From Stockbridge, Edwards was called to the presidency of Princeton, as successor to his son-in-law, the elder Aaron Burr, but he died of the effects of smallpox inoculation within a month of assuming that office.

In comparison with the span of Mather's or Franklin's life, Edwards had been cut off at fifty-five. Productively viewed, he can hardly be considered to have died young. His first widely circulated sermon, *God Glorified in Man's Dependence* (1731), had heartened Calvinist orthodoxy against the Arminian view, which claimed man's own efforts could help him to salvation. Edwards's later work gave the contrary view even more solid foundation in argument. But it is not in the contrivance of "museum pieces of Christian thought" that Edwards illuminates the American mind of this period. To future religious thinking he gave impetus both by his followers and through his opponents, who contrived to turn him from a quiet-voiced, reasoning mystic into a hell-roaring expounder of damnation. To the tepid religious life of his own time, Edwards helped bring the Great Awakening. He was one of the influences fostering that revival and he continued to defend it against friend and enemy alike.

That defense is most completely presented in the *Treatise Concerning Religious Affections* (1746), which William James regarded as an "admirably rich and delicate description" of the religious experience. Though Edwards admitted the justice of the criticism directed at the hysterical manifestations of the Great Awakening, he insisted that emotion alone could serve as a spur to action. Consequently, emotion should have an important place in the religious life: the problem was to distinguish the genuine from the false, and, for this, Edwards's criteria are as dynamic as his idea of the religious emotions themselves. A holy life and a whole-hearted acceptance of the sovereignty of God would mark the person who actually had been given that supernatural sense which alone could direct fallen "natural man" toward disinterested love of God.

The selection here reprinted, known as the "Personal Narrative" is taken from *The Works of President Edwards*, edited by Samuel Austin (10 vols., Worcester, Mass., 1808–1810).

The Personal Narrative

BY JONATHAN EDWARDS

. . . I HAD a variety of concerns and exercises about my soul from my childhood; but had two more remarkable seasons of awakening, before I met with that change by which I was brought to those new dispositions, and that new sense of things, that I have since had. The first time was when I was a boy, some years before I went to college, at a time of remarkable awakening in my father's congregation. I was then very much affected for many months, and concerned about the things of religion, and my soul's salvation; and was abundant in duties. I used to pray five times a day in secret, and to spend much time in religious talk with other boys; and used to meet with them to pray together. I experienced I know not what kind of delight in religion. My mind was much engaged in it, and had much selfrighteous pleasure; and it was my delight to abound in religious duties. I with some of my schoolmates joined together, and built a booth in a swamp, in a very retired spot, for a place of prayer. And besides, I had particular secret places of my own in the woods, where I used to retire by myself; and was from time to time much affected. My affections seemed to be lively and easily moved, and I seemed to be in my element when engaged in religious duties. And I am ready to think, many are deceived with such affections, and such a kind of delight as I then had in religion, and mistake it for grace.

But in process of time, my convictions and affections wore off; and I entirely lost all those affections and delights and left off secret prayer, at least as to any constant performance of it; and returned like a dog to his vomit, and went on in the ways of sin. Indeed I was at times very uneasy, especially towards the latter part of my time at college; when it pleased God, to seize me with a pleurisy; in which he brought me nigh to the grave, and shook me over the pit of hell. And yet, it was not long after my recovery, before I fell again into my old ways of sin. But God would not suffer me to go on with any quietness; I had great and violent inward struggles, till, after many conflicts with wicked inclinations, repeated resolutions, and bonds that I laid myself under by a kind of vows to God, I was brought wholly to break off all former wicked ways, and all ways of known outward sin; and to apply myself to seek salvation, and practise many religious duties; but without that kind of affection and delight which I had formerly experienced. My concern now wrought more by inward struggles and conflicts, and self-reflections. I made seeking my salvation the main business of my life. But yet, it seems to me, I sought after a miserable manner; which has made me sometimes since to question, whether ever it issued in that which was saving; being ready to doubt, whether such miserable seeking ever succeeded. I was indeed brought to seek salvation in a manner that I never was before; I felt a spirit to part with all things in the world, for an interest in Christ. My concern continued and prevailed, with many exercising thoughts and inward struggles; but yet it never seemed to be proper to express that concern by the name of terror.

From my childhood up, my mind had been full of objections against the doctrine of God's sovereignty, in choosing whom he would to eternal life, and rejecting whom he pleased; leaving them eternally to perish, and be everlastingly tormented in hell. It used to appear like a horrible doctrine to me. But I remember the time very well, when I seemed to be convinced, and fully satisfied, as to this sovereignty of God, and his justice in thus eternally disposing of men, according to his sovereign pleasure. But never could give an account, how, or by what means, I was thus convinced, not in the least imagining at the time, nor a long time after, that there was any extraordinary influence of God's Spirit in it; but only that now I saw further, and my reason apprehended the justice and reasonableness of it. However, my mind rested in it; and it put an end to all those cavils and objections. And there has been a wonderful alteration in my mind, with respect to the doctrine of God's sovereignty, from that day to this; so that I scarce ever have found so much as the rising of an objection against it, in the most absolute sense, in God's shewing mercy to whom he will shew mercy, and hardening whom he will. God's absolute sovereignty and justice, with respect to salvation and damnation, is what my mind seems to rest assured of, as much as of any thing that I see with my eyes; at least it is so at times. But I have often, since that first conviction, had quite another kind of sense of God's sovereignty than I had then. I have often since had not only a conviction, but a delightful conviction. The doctrine has very often appeared exceeding pleasant, bright, and sweet. Absolute sovereignty is what I love to ascribe to God. But my first conviction was not so.

The first instance that I remember of that sort of inward, sweet delight in God and divine things that I have lived much in since, was on reading those words, 1 Tim. i. 17. *Now unto the King eternal, immortal, invisible, the only wise God, be honor and glory for ever and ever, Amen.* As I read the words, there came into my soul, and was as it were diffused through it, a sense of the glory of the Divine Being; a new sense, quite different from any thing I ever experienced before. Never any words of scripture seemed to me as these words did. I thought with myself, how excellent a Being that was, and how happy I should be, if I might enjoy that God, and be rapt up to him in heaven, and be as it were swallowed up in him for ever! I kept saying, and as it were singing over these words of scripture to myself; and went to pray to God that I might enjoy him, and prayed in a manner quite different from what I used to do; with a new sort of affection. But it never came into my thought, that there was any thing spiritual, or of a saving nature in this.

From about that time, I began to have a new kind of apprehensions and ideas of Christ, and the work of redemption, and the glorious way of salvation by him. An inward, sweet sense of these things, at times, came into my heart; and my soul was led away in pleasant views and contemplations of them. And my mind was greatly engaged to spend my time in reading and meditating on Christ, on the beauty and excellency of his person, and the lovely way of salvation by free grace in him. I found no books so delightful to me, as those that treated of these subjects. Those words Cant. ii. 1, used to be abundantly with me, *I am the Rose of Sharon, and the Lilly of the valleys.* The words seemed to me, sweetly to represent the loveliness and beauty of Jesus Christ. The whole book of Canticles used to be pleasant to me, and I used to be much in reading it, about that time; and found, from time to time, an inward sweetness, that would carry me away, in my contemplations. This I know not how to express otherwise, than by a calm, sweet abstraction of soul from all the concerns of this world; and sometimes a kind of vision, or fixed ideas and imaginations, of being alone in the mountains, or some solitary wilderness, far from all mankind, sweetly conversing with Christ, and wrapt and swallowed up in God. The sense I had of divine things, would often of a sudden kindle up, as it were, a sweet burning in my heart; an ardor of soul, that I know not how to express.

Not long after I first began to experience these things, I gave an account to my father of some things that had passed in my mind. I was pretty much affected by the discourse we had together, and when the discourse was ended, I walked abroad alone, in a solitary place in my father's pasture, for contemplation. And as I was walking there, and looking up on the sky and clouds, there came into my mind so sweet a sense of the glorious *majesty* and *grace* of God, that I know not how to express. I seemed to see them both in a sweet conjunction; majesty and meekness joined together; it was a sweet, and gentle, and holy majesty; and also a majestic meekness; an awful sweetness; a high, and great, and holy gentleness.

After this my sense of divine things gradually increased, and became more and more lively, and had more of that inward sweetness. The appearance of every thing was altered; there seemed to be, as it were, a calm, sweet cast, or appearance of divine glory, in almost every thing. God's excellency, his wisdom, his purity and love, seemed to appear in every thing; in the sun, moon, and stars; in the clouds, and blue sky; in the grass, flowers, trees; in the water, and all nature; which used greatly to fix my mind. I often used to sit and view the moon for continuance; and in the day, spent much time in viewing the clouds and sky, to behold the sweet glory of God in these things; in the mean time, singing forth, with a low voice, my contemplations of the Creator and Redeemer. And scarce any thing, among all the works of nature, was so sweet to me as thunder and lightning; formerly, nothing had been so terrible to me. Before, I used to be uncommonly terrified with thunder, and to be struck with terror when I saw a thunder storm rising; but now, on the contrary, it rejoiced me. I felt God, so to speak, at the first appearance of a thunder storm; and used to take the opportunity, at such times, to fix myself in order to view the clouds, and see the lightnings play, and hear the majestic and awful voice of God's thunder, which oftentimes was exceedingly entertaining, leading me to sweet contemplations of my great and glorious God. While thus engaged, it always seemed natural to me to sing, or chant for my meditations; or, to speak my thoughts in soliloquies with a singing voice.

I felt then great satisfaction, as to my good state; but that did not content me. I had vehement longings of soul after God and Christ, and after more holiness, wherewith my heart seemed to be full, and ready to break; which often brought to my mind the words of the Psalmist, Psal. cxix. 28. *My soul breaketh for the longing it hath.* I often felt a mourning and lamenting in my heart, that I had not turned to God sooner, that I might have had more time to grow in grace. My mind was greatly fixed on divine things; almost perpetually in the

contemplation of them. I spent most of my time in thinking of divine things, year after year; often walking alone in the woods, and solitary places, for meditation, soliloquy, and prayer, and converse with God; and it was always my manner, at such times, to sing forth my contemplations. I was almost constantly in ejaculatory prayer, wherever I was. Prayer seemed to be natural to me, as the breath by which the inward burnings of my heart had vent. The delights which I now felt in the things of religion, were of an exceeding different kind from those before mentioned, that I had when a boy; and what I then had no more notion of, than one born blind has of pleasant and beautiful colors. They were of a more inward, pure, soul animating and refreshing nature. Those former delights never reached the heart; and did not arise from any sight of the divine excellency of the things of God; or any taste of the soul satisfying and life-giving good there is in them.

My sense of divine things seemed gradually to increase, until I went to preach at Newyork, which was about a year and a half after they began; and while I was there, I felt them, very sensibly, in a much higher degree than I had done before. My longings after God and holiness, were much increased. Pure and humble, holy and heavenly Christianity, appeared exceeding amiable to me. I felt a burning desire to be in every thing a complete Christian; and conformed to the blessed image of Christ; and that I might live, in all things, according to the pure, sweet and blessed rules of the gospel. I had an eager thirsting after progress in these things; which put me upon pursuing and pressing after them. It was my continual strife day and night, and constant inquiry, how I should *be* more holy, and *live* more holily, and more becoming a child of God, and a disciple of Christ. I now sought an increase of grace and holiness, and a holy life, with much more earnestness, than ever I sought grace before I had it. I used to be continually examining myself, and studying and contriving for likely ways and means, how I should live holily, with far greater diligence and earnestness, than ever I pursued any thing in my life; but yet with too great a dependence on my own strength; which afterwards proved a great damage to me. My experience had not then taught me, as it has done since, my extreme feebleness and impotence, every manner of way; and the bottomless depths of secret corruption and deceit there was in my heart. However, I went on with my eager pursuit after more holiness, and conformity to Christ.

The heaven I desired was a heaven of holiness; to be with God, and to spend my eternity in divine love, and holy communion with Christ. My mind was very much taken up with contemplations on heaven, and the enjoyments there; and living there in perfect holiness, humility and love: And it used at that time to appear a great part of the happiness of heaven, that there the saints could express their love to Christ. It appeared to me a great clog and burden, that what I felt within, I could not express as I desired. The inward ardor of my soul, seemed to be hindered and pent up, and could not freely flame out as it would. I used often to think, how in heaven this principle should freely and fully vent and express itself. Heaven appeared exceedingly delightful, as a world of love; and that all happiness consisted in living in pure, humble, heavenly, divine love.

I remember the thoughts I used then to have of holiness; and said sometimes to myself, "I do certainly know that I love holiness, such as the gospel prescribes." It appeared to me, that there was nothing in it but what was ravishingly lovely; the highest beauty and amiableness . . . . a *divine* beauty; far purer than any thing here upon earth; and that every thing else was like mire and defilement, in comparison of it.

Holiness, as I then wrote down some of my contemplations on it, appeared to me to be of a sweet, pleasant, charming, serene, calm nature; which brought an inexpressible purity, brightness, peacefulness and ravishment to the soul. In other words, that it made the soul like a field or garden of God, with all manner of pleasant flowers; all pleasant, delightful, and undisturbed; enjoying a sweet calm, and the gently vivifying beams of the sun. The soul of a true Christian, as I then wrote my meditations, appeared like such a little white flower as we see in the spring of the year; low and humble on the ground, opening its bosom to receive the pleasant beams of the sun's glory; rejoicing as it were in a calm rapture; diffusing around a sweet fragrancy; standing peacefully and lovingly, in the midst of other flowers round about; all in like manner opening their bosoms, to drink in the light of the sun. There was no part of creature holiness, that I had so great a sense of its loveliness, as humility, brokenness of heart and poverty of spirit; and there was nothing that I so earnestly longed for. My heart panted after this, to lie low before God, as in the dust; that I might be nothing, and that God might be ALL, that I might become as a little child.

While at Newyork, I was sometimes much affected with reflections on my past life, considering how late it was before I began to be truly religious; and how wickedly I had lived till then;

and once so as to weep abundantly, and for a considerable time together.

On *January* 12, 1723. I made a solemn dedication of myself to God, and wrote it down; giving up myself, and all that I had to God; to be for the future in no respect my own; to act as one that had no right to himself, in any respect. And solemnly vowed to take God for my whole portion and felicity; looking on nothing else as any part of my happiness, nor acting as if it were; and his law for the constant rule of my obedience; engaging to fight with all my might, against the world, the flesh and the devil, to the end of my life. But I have reason to be infinitely humbled, when I consider how much I have failed of answering my obligation.

I had then abundance of sweet religious conversation in the family where I lived, with Mr. John Smith and his pious mother. My heart was knit in affection to those in whom were appearances of true piety; and I could bear the thoughts of no other companions, but such as were holy, and the disciples of the blessed Jesus. I had great longings for the advancement of Christ's kingdom in the world; and my secret prayer used to be, in great part, taken up in praying for it. If I heard the least hint of any thing that happened, in any part of the world, that appeared, in some respect or other, to have a favorable aspect on the interest of Christ's kingdom, my soul eagerly catched at it; and it would much animate and refresh me. I used to be eager to read public news letters, mainly for that end; to see if I could not find some news favorable to the interest of religion in the world.

I very frequently used to retire into a solitary place, on the banks of Hudson's river, at some distance from the city, for contemplation on divine things, and secret converse with God; and had many sweet hours there. Sometimes Mr. Smith and I walked there together, to converse on the things of God; and our conversation used to turn much on the advancement of Christ's kingdom in the world, and the glorious things that God would accomplish for his church in the latter days. I had then, and at other times the greatest delight in the holy scriptures, of any book whatsoever. Oftentimes in reading it, every word seemed to touch my heart. I felt a harmony between something in my heart, and those sweet and powerful words. I seemed often to see so much light exhibited by every sentence, and such a refreshing food communicated, that I could not get along in reading; often dwelling long on one sentence, to see the wonders contained in it; and yet almost every sentence seemed to be full of wonders.

I came away from Newyork in the month of April, 1723, and had a most bitter parting with Madam Smith and her son. My heart seemed to sink within me at leaving the family and city, where I had enjoyed so many sweet and pleasant days. I went from Newyork to Weathersfield, by water, and as I sailed away, I kept sight of the city as long as I could. However, that night, after this sorrowful parting, I was greatly comforted in God at Westchester, where we went ashore to lodge; and had a pleasant time of it all the voyage to Saybrook. It was sweet to me to think of meeting dear Christians in heaven, where we should never part more. At Saybrook we went ashore to lodge, on Saturday, and there kept the Sabbath; where I had a sweet and refreshing season, walking alone in the fields.

After I came home to Windsor, I remained much in a like frame of mind, as when at Newyork; only sometimes I felt my heart ready to sink with the thoughts of my friends at Newyork. My support was in contemplations on the heavenly state; as I find in my Diary of May 1, 1723. It was a comfort to think of that state, where there is fullness of joy; where reigns heavenly, calm, and delightful love, without alloy; where there are continually the dearest expressions of this love; where is the enjoyment of the persons loved, without ever parting; where those persons who appear so lovely in this world, will really be inexpressibly more lovely and full of love to us. And how sweetly will the mutual lovers join together to sing the praises of God and the Lamb! How will it fill us with joy to think, that this enjoyment, these sweet exercises will never cease, but will last to all eternity! . . . . I continued much in the same frame, in the general, as when at Newyork, till I went to Newhaven as tutor to the college; particularly once at Bolton, on a journey from Boston, while walking out alone in the fields. After I went to Newhaven I sunk in religion; my mind being diverted from my eager pursuits after holiness, by some affairs that greatly perplexed and distracted my thoughts.

In September, 1725, I was taken ill at Newhaven, and while endeavoring to go home to Windsor, was so ill at the North Village, that I could go no further; where I lay sick for about a quarter of a year. In this sickness God was pleased to visit me again with the sweet influences of his Spirit. My mind was greatly engaged there in divine, pleasant contemplations, and longings of soul. I observed that those who watched with me, would often be looking out wishfully for the morning; which brought to my mind those words of the psalmist, and which my soul with delight

made its own language, *My soul waiteth for the Lord, more than they that watch for the morning, I say, more than they that watch for the morning;* and when the light of day came in at the windows, it refreshed my soul from one morning to another. It seemed to be some image of the light of God's glory.

I remember, about that time, I used greatly to long for the conversion of some that I was concerned with; I could gladly honor them, and with delight be a servant to them, and lie at their feet, if they were but truly holy. But, some time after this, I was again greatly diverted in my mind with some temporal concerns that exceedingly took up my thoughts, greatly to the wounding of my soul; and went on through various exercises, that it would be tedious to relate, which gave me much more experience of my own heart, than ever I had before.

Since I came to this town [Northampton], I have often had sweet complacency in God, in views of his glorious perfections and the excellency of Jesus Christ. God has appeared to me a glorious and lovely Being, chiefly on the account of his holiness. The holiness of God has always appeared to me the most lovely of all his attributes. The doctrines of God's absolute sovereignty, and free grace, in shewing mercy to whom he would shew mercy; and man's absolute dependence on the operations of God's Holy Spirit, have very often appeared to me as sweet and glorious doctrines. These doctrines have been much my delight. God's sovereignty has ever appeared to me, great part of his glory. It has often been my delight to approach God, and adore him as a sovereign God, and ask sovereign mercy of him.

I have loved the doctrines of the gospel; they have been to my soul like green pastures. The gospel has seemed to me the richest treasure; the treasure that I have most desired, and longed that it might dwell richly in me. The way of salvation by Christ has appeared, in a general way, glorious and excellent, most pleasant and most beautiful. It has often seemed to me, that it would in a great measure spoil heaven, to receive it in any other way. That text has often been affecting and delightful to me, Isa. xxxii. 2. *A man shall be an hiding place from the wind, and a covert from the tempest, &c.*

It has often appeared to me delightful, to be united to Christ; to have him for my head, and to be a member of his body; also to have Christ for my teacher and prophet. I very often think with sweetness, and longings, and pantings of soul, of being a little child, taking hold of Christ, to be led by him through the wilderness of this world. That text, Matth. xviii. 3, has often been sweet to me, *except ye be converted and become as little children, &c.* I love to think of coming to Christ, to receive salvation of him, poor in spirit, and quite empty of self, humbly exalting him alone; cut off entirely from my own root, in order to grow into, and out of Christ; to have God in Christ to be all in all; and to live by faith on the son of God, a life of humble, unfeigned confidence in him. That scripture has often been sweet to me, Psal. cxv. 1. *Not unto us, O Lord, not unto us, but unto thy name give glory, for thy mercy, and for thy truth's sake.* And those words of Christ, Luke x. 21. *In that hour Jesus rejoiced in spirit, and said, I thank thee, O Father, Lord of heaven and earth, that thou hast hid these things from the wise and prudent, and hast revealed them unto babes: Even so, Father, for so it seemed good in thy sight.* That sovereignty of God which Christ rejoiced in, seemed to me worthy of such joy; and that rejoicing seemed to shew the excellency of Christ, and of what spirit he was.

Sometimes, only mentioning a single word caused my heart to burn within me; or only seeing the name of Christ, or the name of some attribute of God. And God has appeared glorious to me, on account of the Trinity. It has made me have exalting thoughts of God, that he subsists in three persons; Father, Son and Holy Ghost. The sweetest joys and delights I have experienced, have not been those that have arisen from a hope of my own good estate; but in a direct view of the glorious things of the gospel. When I enjoy this sweetness, it seems to carry me above the thoughts of my own estate; it seems at such times a loss that I cannot bear, to take off my eye from the glorious, pleasant object I behold without me, to turn my eye in upon myself, and my own good estate.

My heart has been much on the advancement of Christ's kingdom in the world. The histories of the past advancement of Christ's kingdom have been sweet to me. When I have read histories of past ages, the pleasantest thing in all my reading has been, to read of the kingdom of Christ being promoted. And when I have expected, in my reading, to come to any such thing, I have rejoiced in the prospect, all the way as I read. And my mind has been much entertained and delighted with the scripture promises and prophecies, which relate to the future glorious advancement of Christ's kingdom upon earth.

I have sometimes had a sense of the excellent fulness of Christ, and his meetness and suitableness as a Saviour; whereby he has appeared to me, far above all, the chief of ten thousands. His

blood and atonement have appeared sweet, and his righteousness sweet; which was always accompanied with ardency of spirit; and inward strugglings and breathings, and groanings that cannot be uttered, to be emptied of myself, and swallowed up in Christ.

Once, as I rode out into the woods for my health, in 1737, having alighted from my horse in a retired place, as my manner commonly has been, to walk for divine contemplation and prayer, I had a view that for me was extraordinary, of the glory of the Son of God, as Mediator between God and man, and his wonderful, great, full, pure and sweet grace and love, and meek and gentle condescension. This grace that appeared so calm and sweet, appeared also great above the heavens. The person of Christ appeared ineffably excellent with an excellency great enough to swallow up all thought and conception . . . which continued as near as I can judge, about an hour; which kept me the greater part of the time in a flood of tears, and weeping aloud. I felt an ardency of soul to be, what I know not otherwise how to express, emptied and annihilated; to lie in the dust, and to be full of Christ alone; to love him with a holy and pure love; to trust in him; to live upon him; to serve and follow him; and to be perfectly sanctified and made pure, with a divine and heavenly purity. I have, several other times, had views very much of the same nature, and which have had the same effects.

I have many times had a sense of the glory of the third person in the Trinity, in his office of Sanctifier; in his holy operations, communicating divine light and life to the soul. God, in the communications of his Holy Spirit, has appeared as an infinite fountain of divine glory and sweetness; being full, and sufficient to fill and satisfy the soul; pouring forth itself in sweet communications; like the sun in its glory, sweetly and pleasantly diffusing light and life. And I have sometimes had an affecting sense of the excellency of the word of God, as a word of life; as the light of life; a sweet, excellent lifegiving word; accompanied with a thirsting after that word, that it might dwell richly in my heart.

Often, since I lived in this town, I have had very affecting views of my own sinfulness and vileness; very frequently to such a degree as to hold me in a kind of loud weeping, sometimes for a considerable time together; so that I have often been forced to shut myself up. I have had a vastly greater sense of my own wickedness, and the badness of my heart, than ever I had before my conversion. It has often appeared to me, that if God should mark iniquity against me, I should appear the very worst of all mankind; of all that have been, since the beginning of the world to this time; and that I should have by far the lowest place in hell. When others, that have come to talk with me about their soul concerns, have expressed the sense they have had of their own wickedness, by saying that it seemed to them, that they were as bad as the devil himself; I thought their expressions seemed exceeding faint and feeble, to represent my wickedness.

My wickedness, as I am in myself, has long appeared to me perfectly ineffable, and swallowing up all thought and imagination; like an infinite deluge, or mountains over my head. I know not how to express better what my sins appear to me to be, than by heaping infinite upon infinite, and multiplying infinite by infinite. Very often, for these many years, these expressions are in my mind, and in my mouth, "Infinite upon infinite. . . . Infinite upon infinite!" When I look into my heart, and take a view of my wickedness, it looks like an abyss infinitely deeper than hell. And it appears to me, that were it not for free grace, exalted and raised up to the infinite height of all the fulness and glory of the great Jehovah, and the arm of his power and grace stretched forth in all the majesty of his power, and in all the glory of his sovereignty, I should appear sunk down in my sins below hell itself; far beyond the sight of every thing, but the eye of sovereign grace, that can pierce even down to such a depth. And yet it seems to me, that my conviction of sin is exceeding small, and faint; it is enough to amaze me, that I have no more sense of my sin. I know certainly, that I have very little sense of my sinfulness. When I have had turns of weeping and crying for my sins I thought I knew at the time, that my repentance was nothing to my sin.

I have greatly longed of late, for a broken heart, and to lie low before God; and, when I ask for humility, I cannot bear the thoughts of being no more humble than other Christians. It seems to me, that though their degrees of humility may be suitable for them, yet it would be a vile selfexaltation in me, not to be the lowest in humility of all mankind. Others speak of their longing to be "humbled to the dust;" that may be a proper expression for them, but I always think of myself, that I ought, and it is an expression that has long been natural for me to use in prayer, "to lie infinitely low before God." And it is affecting to think, how ignorant I was, when a young Christian, of the bottomless, infinite depths of wickedness, pride, hypocrisy and deceit, left in my heart.

I have a much greater sense of my universal, exceeding dependence on God's grace and strength,

and mere good pleasure, of late, than I used formerly to have; and have experienced more of an abhorrence of my own righteousness. The very thought of any joy arising in me, on any consideration of my own amiableness, performances, or experiences, or any goodness of heart or life, is nauseous and detestable to me. And yet I am greatly afflicted with a proud and selfrighteous spirit, much more sensibly than I used to be formerly. I see that serpent rising and putting forth its head continually, every where, all around me.

Though it seems to me, that, in some respects, I was a far better Christian, for two or three years after my first conversion, than I am now; and lived in a more constant delight and pleasure; yet, of late years, I have had a more full and constant sense of the absolute sovereignty of God, and a delight in that sovereignty; and have had more of a sense of the glory of Christ, as a Mediator revealed in the gospel. On one Saturday night, in particular, I had such a discovery of the excellency of the gospel above all other doctrines, that I could not but say to myself, "This is my chosen light, my chosen doctrine;" and of Christ, "This is my chosen Prophet." It appeared sweet, beyond all expression, to follow Christ, and to be taught, and enlightened, and instructed by him; to learn of him, and live to him. Another Saturday night, (*January* 1739) I had such a sense, how sweet and blessed a thing it was to walk in the way of duty; to do that which was right and meet to be done, and agreeable to the holy mind of God; that it caused me to break forth into a kind of loud weeping, which held me some time, so that I was forced to shut myself up, and fasten the doors. I could not but, as it were, cry out, "How happy are they which do that which is right in the sight of God! They are blessed indeed, they are the happy ones!" I had, at the same time, a very affecting sense, how meet and suitable it was that God should govern the world, and order all things according to his own pleasure; and I rejoiced in it, that God reigned, and that his will was done.

BENJAMIN FRANKLIN

BENJAMIN FRANKLIN was a moralist, not a philosopher; none of his mature work denied the inspiration of Scripture or attempted to destroy its authority. For the vast "To what end?" which Edwards put to the universe, Franklin substituted a modest, operational "How?" He was equally modest in his consideration of virtue. Where Edwards defined true virtue as the disinterested love of God, Franklin named it a decent consideration for the welfare of one's fellow men. If he regarded virtue as an art, it was a mechanical art, one which could be reduced to rule and acquired by faithful practice. Beyond such persistent striving to improve his conduct, no man could be asked to go.

Franklin's mind ranged too widely in this world, then, to be much concerned with the next. If that limitation made him active in every scheme for promoting the comfort of Philadelphia, if it drew him to study the effects of lightning and the use of glass as a musical instrument, if it made him a skillful propagandist and the first and most persuasive of our devisers of gadgets, it also tended to give a rather smug tone to his moralizing. The mingled complacency and irony implicit in his outlook is neatly illustrated in his letters of the summer of 1764. Both William Strahan, his former business associate, and George Whitefield, the evangelist, were among his correspondents that July, and Franklin repeated to Strahan the substance of what he had written to Whitefield: "Your frequently repeated wishes for my eternal as well as my temporal happiness are very obliging, and I can only thank you for them and offer mine in return. I have myself no proper doubt that I shall enjoy as much of both as is proper for me. That Being, who gave me existence, and through almost three-score years has been continually showering his favors upon me, whose very chastisements have been blessings to me; can I doubt that he loves me? And if he loves me, can I doubt that he will go on to take care of me, not only here but hereafter? This to some may seem presumption; to me it appears the best grounded hope; hope of the future built on experience of the past."

The selection from Franklin's writings used here is from the *Autobiography of Benjamin Franklin. Edited from his Manuscript. . . .* by John Bigelow (Philadelphia, 1868).

Autobiography

BY BENJAMIN FRANKLIN

WE HAVE an English proverb that says, "*He that would thrive must ask his wife.*" It was lucky for me that I had one as much dispos'd to industry and frugality as myself. She assisted me cheerfully in my business, folding and stitching pamphlets, tending shop, purchasing old linen rags for the paper-makers, etc., etc. We kept no idle servants, our table was plain and simple, our furniture of the cheapest. For instance, my breakfast was a long time bread and milk (no tea), and I ate it out of a twopenny earthen porringer, with a pewter spoon. But mark how luxury will enter families, and make a progress, in spite of principle: being call'd one morning to breakfast, I found it in a China bowl, with a spoon of silver! They had been bought for me without my knowledge by my wife, and had cost her the enormous sum of three-and-twenty shillings, for which she had no other excuse or apology to make, but that she thought *her* husband deserv'd a silver spoon and China bowl as well as any of his neighbors. This was the first appearance of plate and China in our house, which afterward, in a course of years, as our wealth increas'd, augmented gradually to several hundred pounds in value.

I had been religiously educated as a Presbyterian; and tho' some of the dogmas of that persuasion, such as *the eternal decrees of God, election, reprobation, etc.*, appeared to me unintelligible, others doubtful, and I early absented myself from the public assemblies of the sect, Sunday being my studying day, I never was without some religious principles. I never doubted, for instance, the existence of the Deity; that he made the world, and govern'd it by his Providence; that the most acceptable service of God was the doing good to man; that our souls are immortal; and that all crime will be punished, and virtue rewarded, either here or hereafter. These I esteem'd the essentials of every religion; and, being to be found in all the religions we had in our country, I respected them all, tho' with different degrees of respect, as I found them more or less mix'd with other articles, which, without any tendency to inspire, promote, or confirm morality, serv'd principally to divide us, and make us unfriendly to one another. This respect to all, with an opinion that the worst had some good effects, induc'd me to avoid all discourse that might tend to lessen the good opinion another might have of his own religion; and as our province increas'd in people, and new places of worship were continually wanted, and generally erected by voluntary contribution, my mite for such purpose, whatever might be the sect, was never refused.

Tho' I seldom attended any public worship, I had still an opinion of its propriety, and of its utility when rightly conducted, and I regularly paid my annual subscription for the support of the only Presbyterian minister or meeting we had in Philadelphia. He us'd to visit me sometimes as a friend, and admonish me to attend his administrations, and I was now and then prevail'd to do so, once for five Sundays successively. Had he been in my opinion a good preacher, perhaps I might have continued, notwithstanding the occasion I had for the Sunday's leisure in my course of study; but his discourses were chiefly either polemic arguments, or explications of the peculiar doctrines of our sect, and were all to me very dry, uninteresting, and unedifying, since not a single moral principle was inculcated or enforc'd, their aim seeming to be rather to make us Presbyterians than good citizens.

At length he took for his text that verse of the fourth chapter of Philippians, "*Finally, brethren, whatsoever things are true, honest, just, pure, lovely, or of good report, if there be any virtue, or any praise, think on these things.*" And I imagin'd in a sermon on such a text, we could not miss of having some morality. But he confin'd himself to five points only, as meant by the apostle, viz.: 1 Keeping holy the Sabbath day. 2. Being diligent in reading the holy Scriptures. 3. Attending duly the publick worship. 4. Partaking of the Sacrament. 5. Paying a due respect to God's ministers. These might be all good things; but, as they were not the kind of good things that I expected from the text, I despaired of ever meeting with them from any other, was disgusted, and attended his preaching no more. I had some years before compos'd a little Liturgy, or form of prayer, for my own private use (viz., in 1728), entitled *Articles of Belief and Acts of Religion.* I return'd to the use of this, and went no more to the public assemblies. My conduct might be

blameable, but I leave it, without attempting further to excuse it; my present purpose being to relate facts, and not to make apologies for them.

It was about this time I conceiv'd the bold and arduous project of arriving at moral perfection. I wish'd to live without committing any fault at any time; I would conquer all that either natural inclination, custom, or company might lead me into. As I knew, or thought I knew, what was right and wrong, I did not see why I might not always do the one and avoid the other. But I soon found I had undertaken a task of more difficulty than I had imagined. While my care was employ'd in guarding against one fault, I was often surprised by another; habit took the advantage of inattention; inclination was sometimes too strong for reason. I concluded, at length, that the mere speculative conviction that it was our interest to be completely virtuous, was not sufficient to prevent our slipping; and that the contrary habits must be broken, and good ones acquired and established, before we can have any dependence on a steady, uniform rectitude of conduct. For this purpose I therefore contrived the following method.

In the various enumerations of the moral virtues I had met within my reading, I found the catalogue more or less numerous, as different writers included more or fewer ideas under the same name. Temperance, for example, was by some confined to eating and drinking, while by others it was extended to mean the moderating every other pleasure, appetite, inclination, or passion, bodily or mental, even to our avarice and ambition. I propos'd to myself, for the sake of clearness, to use rather more names, with fewer ideas annex'd to each, than a few names with more ideas; and I included under thirteen names of virtues all that at that time occurr'd to me as necessary or desirable, and annexed to each a short precept, which fully express'd the extent I gave to its meaning.

These names of virtues, with their precepts, were:

1. Temperance.

Eat not to dulness; drink not to elevation.

2. Silence.

Speak not but what may benefit others or yourself; avoid trifling conversation.

3. Order.

Let all your things have their places; let each part of your business have its time.

4. Resolution.

Resolve to perform what you ought; perform without fail what you resolve.

5. Frugality.

Make no expense but to do good to others or yourself; *i.e.*, waste nothing.

6. Industry.

Lose no time; be always employ'd in something useful; cut off all unnecessary actions.

7. Sincerity.

Use no hurtful deceit; think innocently and justly, and, if you speak, speak accordingly.

8. Justice.

Wrong none by doing injuries, or omitting the benefits that are your duty.

9. Moderation.

Avoid extreams; forbear resenting injuries so much as you think they deserve.

10. Cleanliness.

Tolerate no uncleanliness in body, cloaths, or habitation.

11. Tranquillity.

Be not disturbed at trifles, or at accidents common or unavoidable.

12. Chastity.

Rarely use venery but for health or offspring, never to dulness, weakness, or the injury of your own or another's peace or reputation.

13. Humility.

Imitate Jesus and Socrates.

My intention being to acquire the *habitude* of all these virtues, I judg'd it would be well not to distract my attention by attempting the whole at once, but to fix it on one of them at a time; and, when I should be master of that, then to proceed to another, and so on, till I should have gone thro' the thirteen, and, as the previous acquisition of some might facilitate the acquisition of certain others, I arrang'd them with that view as they stand above. Temperance first, as it tends to procure that coolness and clearness of head, which is so necessary where constant vigilance was to be kept up, and guard maintained against the unremitting attraction of ancient habits, and the force of perpetual temptations. This being acquir'd and establish'd, Silence would be more easy; and my desire being to gain knowledge at the same time that I improv'd in virtue, and considering that in conversation it was obtain'd rather by the use of the ears than of the tongue, and therefore wishing to break a habit I was getting into of prattling, punning, and joking, which only made me acceptable to trifling company, I gave *Silence* the second place. This and the next, *Order*, I expected would allow me more time for attending to my project and my studies. *Resolution*, once become habitual, would keep me firm in my endeavors to obtain all the subsequent

virtues; *Frugality* and Industry freeing me from my remaining debt, and producing affluence and independence, would make more easy the practice of Sincerity and Justice, etc., etc. Conceiving then, that, agreeably to the advice of Pythagoras in his Golden Verses, daily examination would be necessary, I contrived the following method for conducting that examination.

I made a little book, in which I allotted a page for each of the virtues. I rul'd each page with red ink, so as to have seven columns, one for each day of the week, marking each column with a letter for the day. I cross'd these columns with thirteen red lines, marking the beginning of each line with the first letter of one of the virtues, on which line, and in its proper column, I might mark, by a little black spot, every fault I found upon examination to have been committed respecting that virtue upon that day.

Form of the pages.

TEMPERANCE.

Eat not to dulness;
Drink not to elevation.

	S.	M.	T.	W.	T.	F.	S.
S.	*	*		*		*	
O.	**	*	*		*	*	*
R.			*			*	
F.		*			*		
I.			*				
S.							
J.							
M.							
C.							
T.							
C.							
H.							

I determined to give a week's strict attention to each of the virtues successively. Thus, in the first week, my great guard was to avoid every the least offence against *Temperance*, leaving the other virtues to their ordinary chance, only marking every evening the faults of the day. Thus, if in the first week I could keep my first line, marked T, clear of spots, I suppos'd the habit of that virtue so much strengthen'd, and its opposite weaken'd, that I might venture extending my attention to include the next, and for the following week keep both lines clear of spots. Proceeding thus to the last, I could go thro' a course compleat in thirteen weeks, and four courses in a year. And like him, who, having a garden to weed, does not attempt to eradicate all the bad herbs at once, which would exceed his reach and his strength, but works on one of the beds at a time, and, having accomplish'd the first, proceeds to a second, so I should have, I hoped, the encouraging pleasure of seeing on my pages the progress I made in virtue, by clearing successively my lines of their spots, till in the end, by a number of courses, I should be happy in viewing a clean book, after a thirteen weeks daily examination.

This my little book had for its motto these lines from Addison's *Cato:*

"Here will I hold. If there's a power above us
(And that there is, all nature cries aloud
Thro' all her works), He must delight in virtue,
And that which he delights in must be happy."

Another from Cicero,

"O vitae Philosophia dux! O virtutem indagatrix expultrixque vitiorum! Unus dies, bene et ex praeceptis tuis actus, peccanti immortalitati est anteponendus."

Another from the Proverbs of Solomon, speaking of wisdom or virtue:

"Length of days is in her right hand, and in her left hand riches and honour. Her ways are ways of pleasantness, and all her paths are peace." iii. 16, 17.

And conceiving God to be the fountain of wisdom, I thought it right and necessary to solicit his assistance for obtaining it; to this end I formed the following little prayer, which was prefix'd to my tables of examination for daily use.

"*O powerful Goodness! bountiful Father! merciful Guide! Increase in me that wisdom which discovers my truest interest. Strengthen my resolutions to perform what that wisdom dictates. Accept my kind offices to thy other children as the only return in my power for thy continual favours to me.*"

I used also sometimes a little prayer which I took from Thomson's Poems, viz.:

"Father of light and life, thou Good Supreme!
O teach me what is good; teach me Thyself!
Save me from folly, vanity, and vice,
From every low pursuit; and fill my soul

With knowledge, conscious peace, and virtue pure;
Sacred, substantial, never-fading bliss!"

The precept of *Order* requiring that *every part of my business* should have its allotted time, one page in my little book contain'd the following scheme of employment for the twenty-four hours of a natural day.

The Morning.	5	Rise, wash, and address *Powerful Goodness!* Contrive day's business, and take the resolution of the day; prosecute the present study, and breakfast.
Question. What good shall I do this day?	6	
	7	
	8	
	9	Work
	10	
	11	
Noon.	12	Read, or overlook my accounts, and dine
	1	
	2	
	3	Work
	4	
	5	
Evening.	6	Put things in their places.
	7	Supper. Music or diversion or conversation. Examination of the day.
Question. What good have I done to-day.	8	
	9	
	10	
	11	
	12	
Night.	1	Sleep.
	2	
	3	
	4	

I enter'd upon the execution of this plan for self-examination, and continu'd it with occasional intermissions for some time. I was surpris'd to find myself so much fuller of faults than I had imagined; but I had the satisfaction of seeing them diminish. To avoid the trouble of renewing now and then my little book, which, by scraping out the marks on the paper of old faults to make room for new ones in a new course, became full of holes, I transferr'd my tables and precepts to the ivory leaves of a memorandum book, on which the lines were drawn with red ink, that made a durable stain, and on those lines I mark'd my faults with a black-lead pencil, which marks I could easily wipe out with a wet sponge. After a while I went thro' one course only in a year, and afterward only one in several years, till at length I omitted them entirely, being employ'd in voyages and business abroad, with a multiplicity of affairs that interfered; but I always carried my little book with me.

My scheme of ORDER gave me the most trouble; and I found that, tho' it might be practicable where a man's business was such as to leave him the disposition of his time, that of a journeyman printer, for instance, it was not possible to be exactly observed by a master, who must mix with the world, and often receive people of business at their own hours. *Order*, too, with regard to places for things, papers, etc., I found extreamly difficult to acquire. I had not been early accustomed to it, and, having an exceedingly good memory, I was not so sensible of the inconvenience attending want of method. This article, therefore, cost me so much painful attention, and my faults in it vexed me so much, and I made so little progress in amendment, and had such frequent relapses, that I was almost ready to give up the attempt, and content myself with a faulty character in that respect, like the man who, in buying an ax of a smith, my neighbor, desired to have the whole of its surface as bright as the edge. The smith consented to grind it bright for him if he would turn the wheel; he turn'd, while the smith press'd the broad face of the ax hard and heavy on the stone, which made the turning of it very fatiguing. The man came every now and then from the wheel to see how the work went on, and at length would take his ax as it was, without farther grinding. "No," said the smith, "turn on, turn on; we shall have it bright by-and-by; as yet, it is only speckled." "Yes," says the man, "*but I think I like a speckled ax best.*" And I believe this may have been the case with many, who, having, for want of some such means as I employ'd, found the difficulty of obtaining good and breaking bad habits in other points of vice and virtue, have given up the struggle, and concluded that "*a speckled ax was best*"; for something, that pretended to be reason, was every now and then suggesting to me that such extream nicety as I exacted of myself might be a kind of foppery in morals, which, if it were known, would make me ridiculous; that a perfect character might be attended with the inconvenience of being envied and hated; and that a benevolent man should allow a few faults in himself, to keep his friends in countenance.

In truth, I found myself incorrigible with re-

spect to Order; and now I am grown old, and my memory bad, I feel very sensibly the want of it. But, on the whole, tho' I never arrived at the perfection I had been so ambitious of obtaining, but fell far short of it, yet I was, by the endeavour, a better and a happier man than I otherwise should have been if I had not attempted it; as those who aim at perfect writing by imitating the engraved copies, tho' they never reach the wish'd for excellence of those copies, their hand is mended by the endeavor, and is tolerable while it continues fair and legible.

It may be well my posterity should be informed that to this little artifice, with the blessing of God, their ancestor ow'd the constant felicity of his life, down to his 79th year, in which this is written. What reverses may attend the remainder is in the hand of Providence; but, if they arrive, the reflection on past happiness enjoy'd ought to help his bearing them with more resignation. To Temperance he ascribes his long-continued health, and what is still left to him of a good constitution; to Industry and Frugality, the early easiness of his circumstances and acquisition of his fortune, with all that knowledge that enabled him to be a useful citizen, and obtained for him some degree of reputation among the learned; to Sincerity and Justice, the confidence of his country, and the honorable employs it conferred upon him; and to the joint influence of the whole mass of the virtues, even in the imperfect state he was able to acquire them, all that evenness of temper, and that cheerfulness in conversation, which makes his company still sought for and agreeable, even to his younger acquaintance. I hope, therefore, that some of my descendants may follow the example and reap the benefit.

It will be remark'd that, tho' my scheme was not wholly without religion, there was in it no mark of any of the distinquishing tenets of any particular sect. I had purposely avoided them; for, being fully persuaded of the utility and excellency of my method, and that it might be serviceable to people in all religions, and intending some time or other to publish it, I would not have any thing in it that should prejudice any one, of any sect, against it. I purposed writing a little comment on each virtue, in which I would have shown the advantages of possessing it, and the mischiefs attending its opposite vice; and I should have called my book THE ART OF VIRTUE, because it would have shown the means and manner of obtaining virtue, which would have distinguished it from the mere exhortation to be good, that does not instruct and indicate the means, but is like the apostle's man of verbal charity, who only without showing to the naked and hungry how or where they might get clothes or victuals, exhorted them to be fed and clothed. James ii, 15, 16.

But it so happened that my intention of writing and publishing this comment was never fulfilled. I did, indeed, from time to time, put down short hints of the sentiments, reasonings, etc., to be made use of in it, some of which I have still by me; but the necessary close attention to private business in the earlier part of my life, and public business since, have occasioned my postponing it; for, it being connected in my mind with *a great and extensive project*, that required the whole man to execute, and which an unforeseen succession of employs prevented my attending to, it has hitherto remain'd unfinish'd.

In this piece it was my design to explain and enforce this doctrine, that vicious actions are not hurtful because they are forbidden, but forbidden because they are hurtful, the nature of man alone considered; that it was, therefore, every one's interest to be virtuous who wish'd to be happy even in this world; and I should, from this circumstance (there being always in the world a number of rich merchants, nobility, states, and princes, who have need of honest instruments for the management of their affairs, and such being so rare), have endeavored to convince young persons that no qualities were so likely to make a poor man's fortune as those of probity and integrity.

My list of virtues contain'd at first but twelve; but a Quaker friend having kindly informed me that I was generally thought proud; that my pride show'd itself frequently in conversation; that I was not content with being in the right when discussing any point, but was overbearing, and rather insolent, of which he convinc'd me by mentioning several instances; I determined endeavouring to cure myself, if I could, of this vice or folly among the rest, and I added *Humility* to my list, giving an extensive meaning to the word.

I cannot boast of much success in acquiring the *reality* of this virtue, but I had a good deal with regard to the *appearance* of it. I made it a rule to forbear all direct contradiction to the sentiments of others, and all positive assertion of my own. I even forbid myself, agreeably to the old laws of our Junto, the use of every word or expression in the language that imported a fix'd opinion, such as *certainly*, *undoubtedly*, etc., and I adopted instead of them, *I conceive*, *I apprehend*, or *I imagine* a thing to be so or so; or it *appears to me at present*. When another asserted something that I thought an error, I deny'd my-

self the pleasure of contradicting him abruptly, and of showing immediately some absurdity in his proposition; and in answering I began by observing that in certain cases or circumstances his opinion would be right, but in the present case there *appear'd* or *seem'd* to me some difference, etc. I soon found the advantage of this change in my manner; the conversations I engag'd in went on more pleasantly. The modest way in which I propos'd my opinions procur'd them a readier reception and less contradiction; I had less mortification when I was found to be in the wrong, and I more easily prevail'd with others to give up their mistakes and join with me when I happened to be in the right.

And this mode, which I at first put on with some violence to natural inclination, became at length so easy, and so habitual to me, that perhaps for these fifty years past no one has ever heard a dogmatical expression escape me. And to this habit (after my character of integrity) I think it principally owing that I had early so much weight with my fellow-citizens when I proposed new institutions, or alterations in the old, and so much influence in public councils when I became a member; for I was but a bad speaker, never eloquent, subject to much hesitation in my choice of words, hardly correct in language, and yet I generally carried my points.

In reality, there is, perhaps, no one of our natural passions so hard to subdue as *pride*. Disguise it, struggle with it, beat it down, stifle it, mortify it as much as one pleases, it is still alive, and will every now and then peep out and show itself; you will see it, perhaps, often in this history; for, even if I could conceive that I had compleatly overcome it, I should probably be proud of my humility.

THE AMERICAN SCENE

J. HECTOR ST. JOHN DE CRÈVECOEUR

THE AMERICAN LEGEND in its simplest, yet most idyllic, terms is presented in Crèvecoeur's *Letters from an American Farmer*. America is a place where a man who is willing to work can earn enough to feed his family decently. Bald as the fact may be, Crèvecoeur is writer enough to make his development of it charming as well as significant. He shows us the American who made the Revolution: the hard-working, sober farmer; the pioneer, who is still depicted as social castoff, the man too restless, too indolent or too rebellious for settled society; the immigrant straightening his back as he becomes man and citizen instead of half-servile laborer.

Crèvecoeur sees Europeans of all nations transformed into Americans under the influence of a government that does not oppress them with taxes or burden them with tithes. The American chooses his own religion, practices it as he will, and, provided he violates no law, lives as he pleases. Under this discipline, he has become a laborious, thrifty, litigious man, self-seeking yet willing to help a neighbor, hopeful, energetic and free from the refinements of luxury and the corruptions of vice. The picture is conventional enough to serve the most unimaginative of modern orators. But Crèvecoeur helped create the convention. And there is a measure of appropriateness in the fact that this apt description of the American was made by one of the foreigners who thought to become what he depicted.

J. Hector St. John de Crèvecoeur (1735–1813) came to America to serve with the French under Montcalm. Early in the 1760s, he changed allegiance and proceeded to travel through the Pennsylvania back country until he came to New York where he settled, was naturalized and married during the years when antirent rioting and the Stamp Act disorders made New York a place one would not think likely to give birth to idyls.

After the colonists broke with England, Crèvecoeur strove to remain neutral and finally found it either wise, or necessary, to leave his family and return to France in 1780. In Paris, he was introduced into literary society by Mme. d'Houdetot, who had been Rousseau's mistress. Through her influence, Crèvecoeur was named Consul at New York, a post he contrived to hold until Revolutionary politics forced him out. He returned to Europe and spent the rest of his life in Paris, London and Munich, where he found a king who had read the Farmer's letters with great pleasure.

Crèvecoeur had delighted other readers than King Maximilian of Bavaria, for his book was published in four English and two French editions, to say nothing of pirated German and Dutch reprints and the American edition of 1793. The famous essayist, William Hazlitt, found it charming; Charles Lamb read it with interest; and the Coleridge-Southey project for a literary settlement in the Susquehanna country is said to have taken inspiration from the *Letters of an American Farmer*.

The selection reprinted here is taken from the American edition of 1793.

Letters from an American Farmer

BY J. HECTOR ST. JOHN DE CRÈVECOEUR

I WISH I could be acquainted with the feelings and thoughts which must agitate the heart and present themselves to the mind of an enlightened Englishman, when he first lands on this continent. He must greatly rejoice that he lived at a time to see this fair country discovered and settled; he must necessarily feel a share of national pride, when he views the chain of settlements which embellishes these extended shores. When he says to himself, this is the work of my countrymen, who, when convulsed by factions, afflicted by a variety of miseries and wants, restless and impatient, took refuge here. They brought along with them their national genius, to which they principally owe what liberty they enjoy, and what substance they possess. Here he sees the industry of his native country displayed in a new manner, and traces in their works the embryos of all the arts, sciences, and ingenuity which flourish in Europe. Here he beholds fair cities, substantial villages, extensive fields, an immense country filled with decent houses, good roads, orchards, meadows, and bridges, where an hundred years ago all was wild, woody, and uncultivated! What a train of pleasing ideas this fair spectacle must suggest; it is a prospect which must inspire a good citizen with the most heartfelt pleasure. The difficulty consists in the manner of viewing so extensive a scene. He is arrived on a new continent; a modern society offers itself to his contemplation, different from what he had hitherto seen. It is not composed, as in Europe, of great lords who possess everything, and of a herd of people who have nothing. Here are no aristocratical families, no courts, no kings, no bishops, no ecclesiastical dominion, no invisible power giving to a few a very visible one; no great manufacturers employing thousands, no great refinements of luxury. The rich and the poor are not so far removed from each other as they are in Europe. Some few towns excepted, we are all tillers of the earth, from Nova Scotia to West Florida. We are a people of cultivators, scattered over an immense territory, communicating with each other by means of good roads and navigable rivers, united by the silken bands of mild government, all respecting the laws, without dreading their power, because they are equitable. We are all animated with the spirit of an industry which is unfettered and unrestrained, because each person works for himself. If he travels through our rural districts he views not the hostile castle, and the haughty mansion, contrasted with the clay-built hut and miserable cabin, where cattle and men help to keep each other warm, and dwell in meanness, smoke, and indigence. A pleasing uniformity of decent competence appears throughout our habitations. The meanest of our log-houses is a dry and comfortable habitation. Lawyer or merchant are the fairest titles our towns afford; that of a farmer is the only appellation of the rural inhabitants of our country. It must take some time ere he can reconcile himself to our dictionary, which is but short in words of dignity, and names of honour. There, on a Sunday, he sees a congregation of respectable farmers and their wives, all clad in neat homespun, well mounted, or riding in their own humble waggons. There is not among them an esquire, saving the unlettered magistrate. There he sees a parson as simple as his flock, a farmer who does not riot on the labour of others. We have no princes, for whom we toil, starve, and bleed: we are the most perfect society now existing in the world. Here man is free as he ought to be; nor is this pleasing equality so transitory as many others are. Many ages will not see the shores of our great lakes replenished with inland nations, nor the unknown bounds of North America entirely peopled. Who can tell how far it extends? Who can tell the millions of men whom it will feed and contain? for no European foot has as yet travelled half the extent of this mighty continent!

The next wish of this traveller will be to know whence came all these people? they are a mixture of English, Scotch, Irish, French, Dutch, Germans, and Swedes. From this promiscuous breed, that race now called Americans have arisen. The eastern provinces must indeed be excepted, as being the unmixed descendants of Englishmen. I have heard many wish that they had been more intermixed also: for my part, I am no wisher, and think it much better as it has happened. They exhibit a most conspicuous figure in this great and variegated picture; they too enter for a great share in the pleasing perspective displayed in these thirteen provinces. I know it is fashionable to reflect on them, but I respect them for what they have done; for the accuracy and wisdom with which they have settled their territory; for the decency of their manners; for their early love of letters; their ancient college, the first in this hemi-

sphere; for their industry; which to me who am but a farmer, is the criterion of everything. There never was a people, situated as they are, who with so ungrateful a soil have done more in so short a time. Do you think that the monarchical ingredients which are more prevalent in other governments, have purged them from all foul stains? Their histories assert the contrary.

In this great American asylum, the poor of Europe have by some means met together, and in consequence of various causes; to what purpose should they ask one another what countrymen they are? Alas, two thirds of them had no country. Can a wretch who wanders about, who works and strives, whose life is a continual scene of sore affliction or pinching penury; can that man call England or any other kingdom his country? A country that had no bread for him, whose fields procured him no harvest, who met with nothing but the frowns of the rich, the severity of the laws, with jails and punishments; who owned not a single foot of the extensive surface of this planet? No! urged by a variety of motives, here they came. Every thing has tended to regenerate them; new laws, a new mode of living, a new social system; here they are become men: in Europe they were as so many useless plants, wanting vegetative mould, and refreshing showers; they withered, and were mowed down by want, hunger, and war; but now by the power of transplantation, like all other plants they have taken root and flourish! Formerly they were not numbered in any civil lists of their country, except in those of the poor; here they rank as citizens. By what invisible power has this surprising metamorphosis been performed? By that of the laws and that of their industry. The laws, the indulgent laws, protect them as they arrive, stamping on them the symbol of adoption; they receive ample rewards for their labours; these accumulated rewards procure them lands; those lands confer on them the title of freemen, and to that title every benefit is affixed which men can possibly require. This is the great operation daily performed by our laws. From whence proceed these laws? From our government. Whence the government? It is derived from the original genius and strong desire of the people ratified and confirmed by the crown. This is the great chain which links us all, this is the picture which every province exhibits, Nova Scotia excepted. There the crown has done all; either there were no people who had genius, or it was not much attended to: the consequence is, that the province is very thinly inhabited indeed; the power of the crown in conjunction with the musketos has prevented men from settling there. Yet some parts of it flourished once, and it contained a mild harmless set of people. But for the fault of a few leaders, the whole were banished. The greatest political error the crown ever committed in America, was to cut off men from a country which wanted nothing but men!

What attachment can a poor European emigrant have for a country where he had nothing? The knowledge of the language, the love of a few kindred as poor as himself, were the only cords that tied him: his country is now that which gives him land, bread, protection, and consequence: *Ubi panis ibi patria*, is the motto of all emigrants. What then is the American, this new man? He is either an European, or the descendant of an European, hence that strange mixture of blood, which you will find in no other country. I could point out to you a family whose grandfather was an Englishman, whose wife was Dutch, whose son married a French woman, and whose present four sons have now four wives of different nations. *He* is an American, who, leaving behind him all his ancient prejudices and manners, receives new ones from the new mode of life he has embraced, the new government he obeys, and the new rank he holds. He becomes an American by being received in the broad lap of our great *Alma Mater*. Here individuals of all nations are melted into a new race of men, whose labours and posterity will one day cause great changes in the world. Americans are the western pilgrims, who are carrying along with them that great mass of arts, sciences, vigour, and industry which began long since in the east; they will finish the great circle. The Americans were once scattered all over Europe; here they are incorporated into one of the finest systems of population which has ever appeared, and which will hereafter become distinct by the power of the different climates they inhabit. The American ought therefore to love this country much better than that wherein either he or his forefathers were born. Here the rewards of his industry follow with equal steps the progress of his labour; his labour is founded on the basis of nature, *self-interest;* can it want a stronger allurement? Wives and children, who before in vain demanded of him a morsel of bread, now, fat and frolicsome, gladly help their father to clear those fields whence exuberant crops are to arise to feed and to clothe them all; without any part being claimed, either by a despotic prince, a rich abbot, or a mighty lord. Here religion demands but little of him; a small voluntary salary to the minister, and gratitude to God; can he refuse these? The American is a new man, who acts upon new principles; he must therefore entertain new ideas, and form new

opinions. From involuntary idleness, servile dependence, penury, and useless labour, he has passed to toils of a very different nature, rewarded by ample subsistence.—This is an American.

British America is divided into many provinces, forming a large association, scattered along a coast 1500 miles extent and about 200 wide. This society I would fain examine, at least such as it appears in the middle provinces; if it does not afford that variety of tinges and gradations which may be observed in Europe, we have colours peculiar to ourselves. For instance, it is natural to conceive that those who live near the sea, must be very different from those who live in the woods; the intermediate space will afford a separate and distinct class.

Men are like plants; the goodness and flavour of the fruit proceeds from the peculiar soil and exposition in which they grow. We are nothing but what we derive from the air we breathe, the climate we inhabit, the government we obey, the system of religion we profess, and the nature of our employment. Here you will find but few crimes; these have acquired as yet no root among us. I wish I was able to trace all my ideas; if my ignorance prevents me from describing them properly, I hope I shall be able to delineate a few of the outlines, which are all I propose.

Those who live near the sea, feed more on fish than on flesh, and often encounter that boisterous element. This renders them more bold and enterprising; this leads them to neglect the confined occupations of the land. They see and converse with a variety of people; their intercourse with mankind becomes extensive. The sea inspires them with a love of traffic, a desire of transporting produce from one place to another; and leads them to a variety of resources which supply the place of labour. Those who inhabit the middle settlements, by far the most numerous, must be very different; the simple cultivation of the earth purifies them, but the indulgences of the government, the soft remonstrances of religion, the rank of independent freeholders, must necessarily inspire them with sentiments, very little known in Europe among people of the same class. What do I say? Europe has no such class of men; the early knowledge they acquire, the early bargains they make, give them a great degree of sagacity. As freemen they will be litigious; pride and obstinacy are often the cause of law suits; the nature of our laws and governments may be another. As citizens it is easy to imagine, that they will carefully read the newspapers, enter into every political disquisition, freely blame or censure governors and others. As farmers they will be careful and anxious to get as much as they can, because what they get is their own. As northern men they will love the cheerful cup. As Christians, religion curbs them not in their opinions; the general indulgence leaves every one to think for themselves in spiritual matters; the laws inspect our actions, our thoughts are left to God. Industry, good living, selfishness, litigiousness, country politics, the pride of freemen, religious indifference, are their characteristics. If you recede still farther from the sea, you will come into more modern settlements; they exhibit the same strong lineaments, in a ruder appearance. Religion seems to have still less influence, and their manners are less improved.

Now we arrive near the great woods, near the last inhabited districts; there men seem to be placed still farther beyond the reach of government, which in some measure leaves them to themselves. How can it pervade every corner; as they were driven there by misfortunes, necessity of beginnings, desire of acquiring large tracts of land, idleness, frequent want of economy, ancient debts; the re-union of such people does not afford a very pleasing spectacle. When discord, want of unity and friendship; when either drunkenness or idleness prevail in such remote districts; contention, inactivity, and wretchedness must ensue. There are not the same remedies to these evils as in a long established community. The few magistrates they have, are in general little better than the rest; they are often in a perfect state of war; that of man against man, sometimes decided by blows, sometimes by means of the law; that of man against every wild inhabitant of these venerable woods, of which they are come to dispossess them. There men appear to be no better than carnivorous animals of a superior rank, living on the flesh of wild animals when they can catch them, and when they are not able, they subsist on grain. He who would wish to see America in its proper light, and have a true idea of its feeble beginnings and barbarous rudiments, must visit our extended line of frontiers where the last settlers dwell, and where he may see the first labours of settlement, the mode of clearing the earth, in all their different appearances; where men are wholly left dependent on their native tempers, and on the spur of uncertain industry, which often fails when not sanctified by the efficacy of a few moral rules. There, remote from the power of example and check of shame, many families exhibit the most hideous parts of our society. They are a kind of forlorn hope, preceding by ten or twelve years the most respectable army of veterans which come after them. In that space, prosperity will polish some,

vice and the law will drive off the rest, who uniting again with others like themselves will recede still farther; making room for more industrious people, who will finish their improvements, convert the loghouse into a convenient habitation, and rejoicing that the first heavy labours are finished, will change in a few years that hitherto barbarous country into a fine fertile, well regulated district. Such is our progress, such is the march of the Europeans toward the interior parts of this continent. In all societies there are off-casts; this impure part serves as our precursors or pioneers; my father himself was one of that class, but he came upon honest principles, and was therefore one of the few who held fast; by good conduct and temperance, he transmitted to me his fair inheritance, when not above one in fourteen of his contemporaries had the same good fortune.

Forty years ago this smiling country was thus inhabited; it is now purged, a general decency of manners prevails throughout, and such has been the fate of our best countries.

Exclusive of those general characteristics, each province has its own, founded on the government, climate, mode of husbandry, customs, and peculiarity of circumstances. Europeans submit insensibly to these great powers, and become, in the course of a few generations, not only Americans in general, but either Pennsylvanians, Virginians, or provincials under some other name. Whoever traverses the continent must easily observe those strong differences, which will grow more evident in time. The inhabitants of Canada, Massachusetts, the middle provinces, the southern ones will be as different as their climates; their only points of unity will be those of religion and language.

As I have endeavoured to show you how Europeans become Americans; it may not be disagreeable to show you likewise how the various Christian sects introduced, wear out, and how religious indifference becomes prevalent. When any considerable number of a particular sect happen to dwell contiguous to each other, they immediately erect a temple, and there worship the Divinity agreeably to their own peculiar ideas. Nobody disturbs them. If any new sect springs up in Europe it may happen that many of its professors will come and settle in America. As they bring their zeal with them, they are at liberty to make proselytes if they can, and to build a meeting and to follow the dictates of their consciences; for neither the government nor any other power interferes. If they are peaceable subjects, and are industrious, what is it to their neighbours how and in what manner they think fit to address their prayers to the Supreme Being? But if the sectaries are not settled close together, if they are mixed with other denominations, their zeal will cool for want of fuel, and will be extinguished in a little time. Then the Americans become as to religion, what they are as to country, allied to all. In them the name of Englishman, Frenchman, and European is lost, and in like manner, the strict modes of Christianity as practised in Europe are lost also. This effect will extend itself still farther hereafter, and though this may appear to you as a strange idea, yet it is a very true one. I shall be able perhaps hereafter to explain myself better; in the meanwhile, let the following example serve as my first justification.

Let us suppose you and I to be travelling; we observe that in this house, to the right, lives a Catholic, who prays to God as he has been taught, and believes in transubstantiation; he works and raises wheat, he has a large family of children, all hale and robust; his belief, his prayers offend nobody. About one mile farther on the same road, his next neighbour may be a good honest plodding German Lutheran, who addresses himself to the same God, the God of all, agreeably to the modes he has been educated in, and believes in consubstantiation; by so doing he scandalises nobody; he also works in his fields, embellishes the earth, clears swamps, etc. What has the world to do with his Lutheran principles? He persecutes nobody, and nobody persecutes him, he visits his neighbours, and his neighbours visit him. Next to him lives a seceder, the most enthusiastic of all sectaries; his zeal is hot and fiery, but separated as he is from others of the same complexion, he has no congregation of his own to resort to, where he might cabal and mingle religious pride with worldly obstinacy. He likewise raises good crops, his house is handsomely painted, his orchard is one of the fairest in the neighbourhood. How does it concern the welfare of the country, or of the province at large, what this man's religious sentiments are, or really whether he has any at all? He is a good farmer, he is a sober, peaceable, good citizen: William Penn himself would not wish for more. This is the visible character, the invisible one is only guessed at, and is nobody's business. Next again lives a Low Dutchman, who implicitly believes the rules laid down by the synod of Dort. He conceives no other idea of a clergyman than that of an hired man; if he does his work well he will pay him the stipulated sum; if not he will dismiss him, and do without his sermons, and let his church be shut up for years. But notwithstanding this coarse idea, you will find his house and farm to be the neatest in all the country; and you will

judge by his waggon and fat horses, that he thinks more of the affairs of this world than of those of the next. He is sober and laborious, therefore he is all he ought to be as to the affairs of this life; as for those of the next, he must trust to the great Creator. Each of these people instruct their children as well as they can, but these instructions are feeble compared to those which are given to the youth of the poorest class in Europe. Their children will therefore grow up less zealous and more indifferent in matters of religion than their parents. The foolish vanity, or rather the fury of making Proselytes, is unknown here; they have no time, the seasons call for all their attention, and thus in a few years, this mixed neighbourhood will exhibit a strange religious medley, that will be neither pure Catholicism nor pure Calvinism. A very perceptible indifference even in the first generation, will become apparent; and it may happen that the daughter of the Catholic will marry the son of the seceder, and settle by themselves at a distance from their parents. What religious education will they give their children? A very imperfect one. If there happens to be in the neighbourhood any place of worship, we will suppose a Quaker's meeting; rather than not show their fine clothes, they will go to it, and some of them may perhaps attach themselves to that society. Others will remain in a perfect state of indifference; the children of these zealous parents will not be able to tell what their religious principles are, and their grandchildren still less. The neighbourhood of a place of worship generally leads them to it, and the action of going thither, is the strongest evidence they can give of their attachment to any sect. The Quakers are the only people who retain a fondness for their own mode of worship; for be they ever so far separated from each other, they hold a sort of communion with the society, and seldom depart from its rules, at least in this country. Thus all sects are mixed as well as all nations; thus religious indifference is imperceptibly disseminated from one end of the continent to the other; which is at present one of the strongest characteristics of the Americans. Where this will reach no one can tell, perhaps it may leave a vacuum fit to receive other systems. Persecution, religious pride, the love of contradiction, are the food of what the world commonly calls religion. These motives have ceased here; zeal in Europe is confined; here it evaporates in the great distance it has to travel; there it is a grain of powder inclosed, here it burns away in the open air, and consumes without effect.

But to return to our back settlers. I must tell you, that there is something in the proximity of the woods, which is very singular. It is with men as it is with the plants and animals that grow and live in the forests; they are entirely different from those that live in the plains. I will candidly tell you all my thoughts but you are not to expect that I shall advance any reasons. By living in or near the woods, their actions are regulated by the wildness of the neighbourhood. The deer often come to eat their grain, the wolves to destroy their sheep, the bears to kill their hogs, the foxes to catch their poultry. This surrounding hostility immediately puts the gun into their hands; they watch these animals, they kill some; and thus by defending their property, they soon become professed hunters; this is the progress; once hunters, farewell to the plough. The chase renders them ferocious, gloomy, and unsociable; a hunter wants no neighbour, he rather hates them, because he dreads the competition. In a little time their success in the woods makes them neglect their tillage. They trust to the natural fecundity of the earth, and therefore do little; carelessness in fencing often exposes what little they sow to destruction; they are not at home to watch; in order therefore to make up the deficiency, they go oftener to the woods. That new mode of life brings along with it a new set of manners, which I cannot easily describe. These new manners being grafted on the old stock, produce a strange sort of lawless profligacy, the impressions of which are indelible. The manners of the Indian natives are respectable, compared with this European medley. Their wives and children live in sloth and inactivity; and having no proper pursuits, you may judge what education the latter receive. Their tender minds have nothing else to contemplate but the example of their parents; like them they grow up a mongrel breed, half civilised, half savage, except nature stamps on them some constitutional propensities. That rich, that voluptuous sentiment is gone that struck them so forcibly; the possession of their freeholds no longer conveys to their minds the same pleasure and pride. To all these reasons you must add, their lonely situation, and you cannot imagine what an effect on manners the great distances they live from each other has! Consider one of the last settlements in its first view: of what is it composed? Europeans who have not that sufficient share of knowledge they ought to have, in order to prosper; people who have suddenly passed from oppression, dread of government, and fear of laws, into the unlimited freedom of the woods. This sudden change must have a very great effect on most men, and on that class particularly. Eating of wild meat, whatever you may think, tends to alter their temper: though all the proof I can adduce,

is, that I have seen it: and having no place of worship to resort to, what little society this might afford is denied them. The Sunday meetings, exclusive of religious benefits, were the only social bonds that might have inspired them with some degree of emulation in neatness. Is it then surprising to see men thus situated, immersed in great and heavy labours, degenerate a little? It is rather a wonder the effect is not more diffusive. The Moravians and the Quakers are the only instances in exception to what I have advanced. The first never settle singly, it is a colony of the society which emigrates; they carry with them their forms, worship, rules, and decency: the others never begin so hard, they are always able to buy improvements, in which there is a great advantage, for by that time the country is recovered from its first barbarity. Thus our bad people are those who are half cultivators and half hunters; and the worst of them are those who have degenerated altogether into the hunting state. As old ploughmen and new men of the woods, as Europeans and new made Indians, they contract the vices of both; they adopt the moroseness and ferocity of a native, without his mildness, or even his industry at home. If manners are not refined, at least they are rendered simple and inoffensive by tilling the earth; all our wants are supplied by it, our time is divided between labour and rest, and leaves none for the commission of great misdeeds. As hunters it is divided between the toil of the chase, the idleness of repose, or the indulgence of inebriation. Hunting is but a licentious idle life, and if it does not always pervert good dispositions; yet, when it is united with bad luck, it leads to want: want stimulates that propensity to rapacity and injustice, too natural to needy men, which is the fatal gradation. After this explanation of the effects which follow by living in the woods, shall we yet vainly flatter ourselves with the hope of converting the Indians? We should rather begin with converting our backsettlers; and now if I dare mention the name of religion, its sweet accents would be lost in the immensity of these woods. Men thus placed are not fit either to receive or remember its mild instructions; they want temples and ministers, but as soon as men cease to remain at home, and begin to lead an erratic life, let them be either tawny or white, they cease to be its disciples.

Thus have I faintly and imperfectly endeavoured to trace our society from the sea to our woods! yet you must not imagine that every person who moves back, acts upon the same principles, or falls into the same degeneracy. Many families carry with them all their decency of conduct, purity of morals, and respect of religion; but these are scarce, the power of example is sometimes irresistible. Even among these backsettlers, their depravity is greater or less, according to what nation or province they belong. Were I to adduce proofs of this, I might be accused of partiality. If there happens to be some rich intervals, some fertile bottoms, in those remote districts, the people will there prefer tilling the land to hunting, and will attach themselves to it; but even on these fertile spots you may plainly perceive the inhabitants to acquire a great degree of rusticity and selfishness.

It is in consequence of this straggling situation, and the astonishing power it has on manners, that the backsettlers of both the Carolinas, Virginia, and many other parts, have been long a set of lawless people; it has been even dangerous to travel among them. Government can do nothing in so extensive a country, better it should wink at these irregularities, than that it should use means inconsistent with its usual mildness. Time will efface those stains: in proportion as the great body of population approaches them they will reform, and become polished and subordinate. Whatever has been said of the four New England provinces, no such degeneracy of manners has ever tarnished their annals; their backsettlers have been kept within the bounds of decency, and government, by means of wise laws, and by the influence of religion. What a detestable idea such people must have given to the natives of the Europeans! They trade with them, the worst of people are permitted to do that which none but persons of the best characters should be employed in. They get drunk with them, and often defraud the Indians. Their avarice, removed from the eyes of their superiors, knows no bounds; and aided by the little superiority of knowledge, these traders deceive them, and even sometimes shed blood. Hence those shocking violations, those sudden devastations which have so often stained our frontiers, when hundreds of innocent people have been sacrificed for the crimes of a few. It was in consequence of such behaviour, that the Indians took the hatchet against the Virginians in 1774. Thus are our first steps trod, thus are our first trees felled, in general, by the most vicious of our people; and thus the path is opened for the arrival of a second and better class, the true American freeholders; the most respectable set of people in this part of the world: respectable for their industry, their happy independence, the great share of freedom they possess, the good regulation of their families, and for extending the trade and the dominion of our mother country.

Europe contains hardly any other distinctions but lords and tenants; this fair country alone is settled by freeholders, the possessors of the soil they cultivate, members of the government they obey, and the framers of their own laws, by means of their representatives. This is a thought which you have taught me to cherish; our difference from Europe, far from diminishing, rather adds to our usefulness and consequence as men and subjects. Had our forefathers remained there, they would only have crowded it, and perhaps prolonged those convulsions which had shook it so long. Every industrious European who transports himself here, may be compared to a sprout growing at the foot of a great tree; it enjoys and draws but a little portion of sap; wrench it from the parent roots, transplant it, and it will become a tree bearing fruit also. Colonists are therefore entitled to the consideration due to the most useful subjects; a hundred families barely existing in some parts of Scotland, will here in six years, cause an annual exportation of 10,000 bushels of wheat: 100 bushels being but a common quantity for an industrious family to sell, if they cultivate good land. It is here then that the idle may be employed, the useless become useful, and the poor become rich; but by riches I do not mean gold and silver, we have but little of those metals; I mean a better sort of wealth, cleared lands, cattle, good houses, good clothes, and an increase of people to enjoy them.

There is no wonder that this country has so many charms, and presents to Europeans so many temptations to remain in it. A traveller in Europe becomes a stranger as soon as he quits his own kingdom; but it is otherwise here. We know, properly speaking, no strangers; this is every person's country; the variety of our soils, situations, climates, governments, and produce, hath something which must please everybody. No sooner does an European arrive, no matter of what condition, than his eyes are opened upon the fair prospect; he hears his language spoke, he retraces many of his own country manners, he perpetually hears the names of families and towns with which he is acquainted; he sees happiness and prosperity in all places disseminated; he meets with hospitality, kindness, and plenty everywhere; he beholds hardly any poor, he seldom hears of punishments and executions; and he wonders at the elegance of our towns, those miracles of industry and freedom. He cannot admire enough our rural districts, our convenient roads, good taverns, and our many accommodations; he involuntarily loves a country where everything is so lovely. When in England, he was a mere Englishman; here he stands on a larger portion of the globe, not less than its fourth part, and may see the productions of the north, in iron and naval stores; the provisions of Ireland, the grain of Egypt, the indigo, the rice of China. He does not find, as in Europe, a crowded society, where every place is over-stocked; he does not feel that perpetual collision of parties, that difficulty of beginning, that contention which oversets so many. There is room for everybody in America; has he any particular talent, or industry? he exerts it in order to procure a livelihood, and it succeeds. Is he a merchant? the avenues of trade are infinite; is he eminent in any respect? he will be employed and respected. Does he love a country life? pleasant farms present themselves; he may purchase what he wants, and thereby become an American farmer. Is he a labourer, sober and industrious? he need not go many miles, nor receive many informations before he will be hired, well fed at the table of his employer, and paid four or five times more than he can get in Europe. Does he want uncultivated lands? thousands of acres present themselves, which he may purchase cheap. Whatever be his talents or inclinations, if they are moderate, he may satisfy them. I do not mean that every one who comes will grow rich in a little time; no, but he may procure an easy, decent maintenance, by his industry. Instead of starving he will be fed, instead of being idle he will have employment; and these are riches enough for such men as come over here. The rich stay in Europe, it is only the middling and the poor that emigrate. Would you wish to travel in independent idleness, from north to south, you will find easy access, and the most cheerful reception at every house; society without ostentation, good cheer without pride, and every decent diversion which the country affords, with little expense. It is no wonder that the European who has lived here a few years, is desirous to remain; Europe with all its pomp, is not to be compared to this continent, for men of middle stations, or labourers.

An European, when he first arrives, seems limited in his intentions, as well as in his views; but he very suddenly alters his scale; two hundred miles formerly appeared a very great distance, it is now but a trifle; he no sooner breathes our air than he forms schemes, and embarks in designs he never would have thought of in his own country. There the plenitude of society confines many useful ideas, and often extinguishes the most laudable schemes which here ripen into maturity. Thus Europeans become Americans.

But how is this accomplished in that crowd of low, indigent people, who flock here every year from all parts of Europe? I will tell you; they no sooner arrive than they immediately feel the good

effects of that plenty of provisions we possess: they fare on our best food, and they are kindly entertained; their talents, character, and peculiar industry are immediately inquired into; they find countrymen everywhere disseminated, let them come from whatever part of Europe. Let me select one as an epitome of the rest; he is hired, he goes to work, and works moderately; instead of being employed by a haughty person, he finds himself with his equal, placed at the substantial table of the farmer, or else at an inferior one as good; his wages are high, his bed is not like that bed of sorrow on which he used to lie: if he behaves with propriety, and is faithful, he is caressed, and becomes as it were a member of the family. He begins to feel the effects of a sort of resurrection; hitherto he had not lived, but simply vegetated; he now feels himself a man, because he is treated as such; the laws of his own country had overlooked him in his insignificancy; the laws of this cover him with their mantle. Judge what an alteration there must arise in the mind and thoughts of this man; he begins to forget his former servitude and dependence, his heart involuntarily swells and glows; this first swell inspires him with those new thoughts which constitute an American. What love can he entertain for a country where his existence was a burthen to him; if he is a generous good man, the love of this new adoptive parent will sink deep into his heart. He looks around, and sees many a prosperous person, who but a few years before was as poor as himself. This encourages him much, he begins to form some little scheme, the first, alas, he ever formed in his life. If he is wise he thus spends two or three years, in which time he acquires knowledge, the use of tools, the modes of working the lands, felling trees, etc. This prepares the foundation of a good name, the most useful acquisition he can make. He is encouraged, he has gained friends; he is advised and directed, he feels bold, he purchases some land; he gives all the money he has brought over, as well as what he has earned, and trusts to the God of harvests for the discharge of the rest. His good name procures him credit. He is now possessed of the deed, conveying to him and his posterity the fee simple and absolute property of two hundred acres of land, situated on such a river. What an epocha in this man's life! He is become a freeholder, from perhaps a German boor—he is now an American, a Pennsylvanian, an English subject. He is naturalised, his name is enrolled with those of the other citizens of the province. Instead of being a vagrant, he has a place of residence; he is called the inhabitant of such a county, or of such a district, and for the first time in his life counts for something; for hitherto he has been a cypher. I only repeat what I have heard many say, and no wonder their hearts should glow, and be agitated with a multitude of feelings, not easy to describe. From nothing to start into being; from a servant to the rank of a master; from being the slave of some despotic prince, to become a free man, invested with lands, to which every municipal blessing is annexed! What a change indeed! It is in consequence of that change that he becomes an American. This great metamorphosis has a double effect, it extinguishes all his European prejudices, he forgets that mechanism of subordination, that servility of disposition which poverty had taught him; and sometimes he is apt to forget too much, often passing from one extreme to the other. If he is a good man, he forms schemes of future prosperity, he proposes to educate his children better than he has been educated himself; he thinks of future modes of conduct, feels an ardour to labour he never felt before. Pride steps in and leads him to everything that the laws do not forbid: he respects them; with a heart-felt gratitude he looks toward the east, toward that insular government from whose wisdom all his new felicity is derived, and under whose wings and protection he now lives. These reflections constitute him the good man and the good subject. Ye poor Europeans, ye, who sweat, and work for the great—ye, who are obliged to give so many sheaves to the church, so many to your lords, so many to your government, and have hardly any left for yourselves—ye, who are held in less estimation than favourite hunters or useless lap-dogs—ye, who only breathe the air of nature, because it cannot be withheld from you; it is here that ye can conceive the possibility of those feelings I have been describing; it is here the laws of naturalisation invite every one to partake of our great labours and felicity, to till unrented, untaxed lands! Many, corrupted beyond the power of amendment, have brought with them all their vices, and disregarding the advantages held to them, have gone on in their former career of iniquity, until they have been overtaken and punished by our laws. It is not every emigrant who succeeds; no, it is only the sober, the honest, and industrious: happy those to whom this transition has served as a powerful spur to labour, to prosperity, and to the good establishment of children, born in the days of their poverty; and who had no other portion to expect but the rags of their parents, had it not been for their happy emigration. Others again, have been led astray by this enchanting scene; their new pride, instead of leading them to the fields, has kept them in idleness;

the idea of possessing lands is all that satisfies them —though surrounded with fertility, they have mouldered away their time in inactivity, misinformed husbandry, and ineffectual endeavours. How much wiser, in general, the honest Germans than almost all other Europeans; they hire themselves to some of their wealthy landsmen, and in that apprenticeship learn everything that is necessary. They attentively consider the prosperous industry of others, which imprints in their minds a strong desire of possessing the same advantages. This forcible idea never quits them, they launch forth, and by dint of sobriety, rigid parsimony, and the most persevering industry, they commonly succeed. Their astonishment at their first arrival from Germany is very great—it is to them a dream; the contrast must be powerful indeed; they observe their countrymen flourishing in every place; they travel through whole counties where not a word of English is spoken; and in the names and the language of the people, they retrace Germany. They have been an useful acquisition to this continent, and to Pennsylvania in particular; to them it owes some share of its prosperity: to their mechanical knowledge and patience it owes the finest mills in all America, the best teams of horses, and many other advantages. The recollection of their former poverty and slavery never quits them as long as they live.

The Scotch and the Irish might have lived in their own country perhaps as poor, but enjoying more civil advantages, the effects of their new situation do not strike them so forcibly, nor has it so lasting an effect. From whence the difference arises I know not, but out of twelve families of emigrants of each country, generally seven Scotch will succeed, nine German, and four Irish. The Scotch are frugal and laborious, but their wives cannot work so hard as German women, who on the contrary vie with their husbands, and often share with them the most severe toils of the field, which they understand better. They have therefore nothing to struggle against, but the common casualties of nature. The Irish do not prosper so well; they love to drink and to quarrel; they are litigious, and soon take to the gun, which is the ruin of everything; they seem beside to labour under a greater degree of ignorance in husbandry than the others; perhaps it is that their industry had less scope, and was less exercised at home. I have heard many relate, how the land was parcelled out in that kingdom; their ancient conquest has been a great detriment to them, by over-setting their landed property. The lands possessed by a few, are leased down *ad infinitum*, and the occupiers often pay five guineas an acre. The poor are worse lodged there than anywhere else in Europe; their potatoes, which are easily raised, are perhaps an inducement to laziness: their wages are too low, and their whisky too cheap.

There is no tracing observations of this kind, without making at the same time very great allowances, as there are everywhere to be found, a great many exceptions. The Irish themselves, from different parts of that kingdom, are very different. It is difficult to account for this surprising locality, one would think on so small an island an Irishman must be an Irishman: yet it is not so, they are different in their aptitude to, and in their love of labour.

The Scotch on the contrary are all industrious and saving; they want nothing more than a field to exert themselves in, and they are commonly sure of succeeding. The only difficulty they labour under is, that technical American knowledge which requires some time to obtain; it is not easy for those who seldom saw a tree, to conceive how it is to be felled, cut up, and split into rails and posts. . . .

Agreeable to the account which several Scotchmen have given me of the north of Britain, of the Orkneys, and the Hebride Islands, they seem, on many accounts, to be unfit for the habitation of men; they appear to be calculated only for great sheep pastures. Who then can blame the inhabitants of these countries for transporting themselves hither? This great continent must in time absorb the poorest part of Europe; and this will happen in proportion as it becomes better known; and as war, taxation, oppression, and misery increase there. The Hebrides appear to be fit only for the residence of malefactors, and it would be much better to send felons there than either to Virginia or Maryland. What a strange compliment has our mother country paid to two of the finest provinces in America! England has entertained in that respect very mistaken ideas; what was intended as a punishment, is become the good fortune of several; many of those who have been transported as felons, are now rich, and strangers to the stings of those wants that urged them to violations of the law: they are become industrious, exemplary, and useful citizens. The English government should purchase the most northern and barren of those islands; it should send over to us the honest, primitive Hebrideans, settle them here on good lands, as a reward for their virtue and ancient poverty; and replace them with a colony of her wicked sons. The severity of the climate, the inclemency of the seasons, the sterility of the soil, the tempestuousness of the sea, would afflict and punish enough. Could there be found a spot

better adapted to retaliate the injury it had received by their crimes? Some of those islands might be considered as the hell of Great Britain, where all evil spirits should be sent. Two essential ends would be answered by this simple operation. The good people, by emigration, would be rendered happier; the bad ones would be placed where they ought to be. In a few years the dread of being sent to that wintry region would have a much stronger effect than that of transportation. —This is no place of punishment; were I a poor hopeless, breadless Englishman, and not restrained by the power of shame, I should be very thankful for the passage. It is of very little importance how, and in what manner an indigent man arrives; for if he is but sober, honest, and industrious, he has nothing more to ask of heaven. Let him go to work, he will have opportunities enough to earn a comfortable support, and even the means of procuring some land; which ought to be the utmost wish of every person who has health and hands to work. I knew a man who came to this country, in the literal sense of the expression, stark naked; I think he was a Frenchman, and a sailor on board an English man-of-war. Being discontented, he had stripped himself and swam ashore; where, finding clothes and friends, he settled afterwards at Maraneck, in the county of Chester, in the province of New York: he married and left a good farm to each of his sons. I knew another person who was but twelve years old when he was taken on the frontiers of Canada, by the Indians; at his arrival at Albany he was purchased by a gentleman, who generously bound him apprentice to a tailor. He lived to the age of ninety, and left behind him a fine estate and a numerous family, all well settled; many of them I am acquainted with.—Where is then the industrious European who ought to despair?

After a foreigner from any part of Europe is arrived, and become a citizen; let him devoutly listen to the voice of our great parent, which says to him, "Welcome to my shores, distressed European; bless the hour in which thou didst see my verdant fields, my fair navigable rivers, and my green mountains!—If thou wilt work, I have bread for thee; if thou wilt be honest, sober, and industrious, I have greater rewards to confer on thee —ease and independence. I will give thee fields to feed and clothe thee; a comfortable fireside to sit by, and tell thy children by what means thou hast prospered; and a decent bed to repose on. I shall endow thee beside with the immunities of a freeman. If thou wilt carefully educate thy children, teach them gratitude to God, and reverence to that government, that philanthropic government, which has collected here so many men and made them happy. I will also provide for thy progeny; and to every good man this ought to be the most holy, the most powerful, the most earnest wish he can possibly form, as well as the most consolatory prospect when he dies. Go thou and work and till; thou shalt prosper, provided thou be just, grateful, and industrious."

AMERICAN PROBLEMS

ENGLISH COLONIAL ADMINISTRATION

ENGLISH COLONIAL POLICY was based on the assumption that colonies and metropolis formed a single empire, the profit of which belonged to the metropolis. To this end, successive laws imposed increasingly detailed restrictions on colonial economic life. Though restrictions were balanced by privileges and bounties, the latter helped very few colonials as compared to those who were hindered by the multiplication of restraints and the increased efficiency of control.

Since colonial markets and supplies belonged to the metropolis, all colonial staples (their number was increased by each Navigation Act) must be carried to England, and colonial trade was limited to England and her empire except in specified instances. Vessels leaving the Mediterranean ports, with which the colonies were allowed a direct trade, must touch at a British port before they returned home. Colonial enterprise was excluded from activities that might compete with English business: the manufacture of woolens was forbidden; iron mining was encouraged but the milling of pig iron was limited; such colonial manufactures as beaver hats might not be exported from one Province to the next. Colonial expansion beyond the Appalachians after 1763 was opposed not only for political reasons but also because such distant settlements would be unable to acquire English goods and so might set up manufactures for themselves.

Imperial control was divided among many agencies whose work was supposed to be coordinated by the Board of Trade. The Board, which had been organized in 1696 on the initiative of a group of merchants, was as much concerned with British foreign and domestic commerce as with colonial administration. In that field, the Board of Trade acted as adviser to Cabinet and Privy Council and as the coordinating agency which received colonial communications and brought them to the attention of the department immediately affected. Among the Board's own manifold activities, drawing up the instructions of royal governors and scrutinizing colonial laws presented for royal approval were important methods of imperial control, for they afforded a check on the colonial executive and at least a negative influence on colonial legislation.

Colonial laws were subject to both legal and economic challenge before the Board of Trade. If opposition made good its arguments after hearing, the Board recommended that the Privy Council disallow the law. A disallowed law ceased to be valid but, in certain instances, acts done under its authority might be permitted to stand.

Though the Board of Trade varied in activity and influence and finally became a wholly advisory body in 1766, when a Secretary of State for the Colonies was added to the Cabinet, its recommendations on disallowance were accepted by the Privy Council. Colonial laws were disallowed for three principal reasons: interference with the royal prerogative, hindrance of English economic interest, or conflict with English law. The Board's procedure was fair and judicial, but its frequent interference in such local matters as Virginia's quarantine of ships importing convicts or servants contributed to creating the temper which made the Revolution possible.

Of the three examples of British administrative activity cited here, the first, the removal of Governor Hardy, illustrates the control the Board attempted to exercise over the colonial

executive. The second, the disallowance of the Virginia insolvency act, shows how it tried to keep colonial legislation in accord with fixed principles of protecting British interests. The third, the refusal of a concession in Cape Breton to a group of British capitalists, indicates that the policy of restricting colonial economic life was applied also to the investment of British capital in the plantations overseas. The policy of control was thus not limited to colonial enterprise; the Sir Samuel Fludyer (1705–1768) whose associates were first granted and then denied the privilege of digging coal on Cape Breton was a wealthy London merchant, active in City affairs and a deputy governor of the Bank of England.

The documents relating to Governor Hardy come from *The New Jersey Archives*, Vol. IX (Newark, 1885). The disallowance of the Virginia statute is from *Acts of the Privy Council: Colonial Series*, Vol. IV (London, 1912). The refusal of the Cape Breton concession is from the same source, Vols. IV and V.

The Appointment and Removal of a Royal Governor

DRAUGHT OF AN INSTRUCTION for the Governors of Nova Scotia, New Hampshire, New York, New Jersey, Virginia, North Carolina, South Carolina, Georgia. Barbadoes, Leeward Islands, Bermuda, Bahama and Jamaica relative to the Tenure of the Commissions to be by them granted to the Judges and other Officers and Ministers of Justice in the said Colonies.

Whereas Laws have been lately passed or attempted to be passed in several of our Colonies in America, enacting that the Judges of the several Courts of Judicature or other Chief Officers of Justice in the said Colonies shall hold their Offices during good behaviour; and whereas the Governors or other Chief Officers of several others of our said Colonies have granted Commissions to the Judges or other Chief Officers of Justice by which they have been impowered to hold their said Offices during good Behaviour contrary to the express directions of the Instructions given to the said Governors or other Chief Officers by us or by our Royal Predecessors; And whereas it does not appear to us that in the present situation and Circumstances of our said Colonies it would be either for the interest and advantage of the said Colonies or of this Our Kingdom of Great Britain that the Judges or other Chief Officers of Justice should hold their Offices during good Behaviour. It is therefore our express will and pleasure that you do not upon any pretence whatever, upon pain of being removed from your Government give your Assent to any Act by which the Tenure of the Commissions to be granted to the Chief Judges or other Justices of the several Courts of Judicature shall be regulated or ascertained in any manner whatsoever. And you are to take particular care in all Commissions to be by you granted to the said Chief Judges or other Justices of the Courts of Judicature that the said Commissions are granted during Pleasure only, agreeable to what has been the Ancient Practice and Usage in our said Colonies and Plantations.
[December, 1761]

MEMORANDUM OF CASE referred to the Attorney and Solicitor General as to whether Governor Hardy's appointment of Judges during good behavior are valid.

By His Majesty's Letters Patent bearing date at Westminster the day of 1761, Josiah Hardy Esqr was appointed to be Captain General & Governor in Chief of Nova Cæsarea or New Jersey, and was thereby required to do and execute all things in due manner that belong unto his said Command and the trust reposed in him, according to the several Powers and directions granted or appointed by his said Commission, & the Instructions & Authorities therewith given him, or by such further Powers, Instructions and Authorities as should at any time be granted or appointed him under His Majesty's Signet & sign manual, or by order of His Majesty in his Privy Council, and according to such reasonable Laws & Statutes as were then in force, or should be made and agreed upon by him with the Advice and Consent of the Council and the Assembly of the said Province under his Government, in such manner and form as was therein expressed.

The said Josiah Hardy was further impowered by the said Letters Patent to erect, constitute and establish such and so many Courts of Judicature and publick Justice within the said Province under his Government as he should think fit and necessary for the hearing and determining of all Causes as well Criminal as Civil according to Law and

equity and for awarding of Execution thereupon, with all reasonable and necessary Powers, Authorities, Fees & Privileges belonging thereto; and also to constitute and appoint Judges and in Cases requisite Commissioners of Oyer and Terminer, Justices of the Peace, and other necessary Officers and Ministers in the said Province for the better Administration of Justice, and putting the Laws in Execution.

By His Majesty's general Instructions to the said Josiah Hardy Esqr under His Majesty's Signet and Sign Manual, bearing date the 30th day of June 1761, which said Instructions are referred to in, and were delivered with the above recited Letters Patent, it is directed, that all Commissions to be granted by him the said Josiah Hardy to any Person or Persons to be Judges, Justices of the Peace or other necessary Officers should be granted during Pleasure only.

Some time after Mr Hardy's Arrival in his Government, he thought fit to appoint Robert Hunter Morris Esqr to be Chief Justice, and two other Gentlemen to be second & third Judges of the supreme Court during their good Behaviour.

Q. Are such Appointments of these Judges to be Judges of the Supreme Court during good Behaviour, contrary to the express Directions of His Majesty's Instructions to the Governor, legal and valid Appointments?

Q. If such Appointments are not legal & Valid, by what Authority and in what manner may they be set aside?

[March 1762]

COPY OF REPRESENTATION from the B: of Trade to the King in Council, for removing Mr Hardy from the Government of New Jersey, dated March 27th 1762 for his having appointed three Judges of that Province during their good behaviour, in Disobedience to his Majesty's Instructions.

To the Kings most Excellent Majesty,

May it please your Majesty,

Having lately rec[d] a letter from Josiah Hardy Esqr Governor of your Majesty's Province of New Jersey, dated the 20th of Janry last, acquainting Us amongst other things that he had granted a Commission to Robert Hunter Morris Esqr to be Chief Justice and also Commissions to two other Gentlemen to be second and third Judges of the supreme Court of Justice in that Province, during their good behaviour, it is our duty humbly to lay before your Majesty the annex'd extract of so much of Mr Hardy's letter as relates to this matter.

We have already in Our humble Representation to your Majesty of the 11th of November last so fully set forth Our Opinion of the impropriety of the Judges in the Plantations holding their Offices during good behaviour and the operation, w[ch] in the present state of those Plantations such a Constitution would have to lessen their just and proper dependance upon your Majesty's Government that it is unnecessary for Us to add any thing further upon that head, and your Majesty's General Instructions to all your Governors and those Instructions in particular which were grounded upon that Representation are so full and so positive that We cannot offer any thing that may in the least degree extenuate so premeditated and unprecedented an Act of disobedience of your Majesty's Governor of New Jersey, in a matter so essential to your Majesty's interest and Service, not only in that Province but in all other your Majesty's American Dominions.

The appointing Mr Morris to be Chief Justice after the Contempt he had shown of your Majesty's authority, by procuring a person who had been appointed to that Office in consequence of His late Majesty's Warrant, to be superseded by a Judgment of that Court, in which he claimed to preside by a bare authority of the Governor, is alone such an example of misconduct, as does, in our opinion, render the Governor unworthy of the Trust your Majesty has conferred upon him. But aggravated as his Guilt is by the mode of the appointment and by the influence which it will necessary have in the neighbouring Provinces of Pennsylvania and New York, and particularly in the latter, where the utmost zeal and efforts of the Lieutt Governor has been hardly sufficient to restrain the intemperate zeal and indecent opposition of the Assembly to your Majesty's authority, and Royal Determination upon this point: It becomes, under these Circumstances, our indispensible duty to propose that this Gentleman may be forthwith Recalled from his Government, as a necessary example to deter others in the same situation from like Acts of Disobedience to your Majesty's Orders, and as a measure essentially necessary to support your Majesty's just Rights and authority in the Colonies and to enable Us to do Our duty in the station your Majesty has been graciously pleased to place Us in, and effectually to execute the Trust committed to Us.

Which is most humbly submitted.

Sandys — Ed Eliot
Soame Jenyns — Geo: Rice
Ed Bacon — John Roberts
John Yorke

Whitehall March 27th 1762

LETTER from the Earl of Egremont to Governor Hardy—informing him of his removal from the Governorship of New Jersey.

Whitehall Septr 11th 1762

Govr Hardy.

Sir,

His Majesty having in consequence of the strong Representation of the Board of Trade to the King in Council, judged it expedient to put an End to your Commission of Governor of New Jersey; I am to acquaint you that His Majesty has been pleased to appoint William Franklin Esqr to succeed you in that office; and that Mr Franklin will repair to New Jersey, as soon as His Commission and Instructions can be expedited.

I am &c

Egremont

The Disallowance of a Colonial Statute

[A VIRGINIA ACT of Dec., 1762—for relief of insolvent debtors, for the effectual discovery and more equal distribution of their estates—is disallowed, in accordance with the Committee report of 9 July, agreeing with the Board of Trade representation of 6 July referred to them on 7 July, which set forth] that as this Act appeared to the said Lords Commissioners to affect the Property of British Creditors, they Communicated a Copy of it to the Principal Merchants of London trading to Virginia, to the end, that if the Act should in their judgment be prejudicial to their Interests, they might have an opportunity of being heard against it. And that the said Lords Commissioners having accordingly been attended by several of the said Merchants in behalf of themselves and the Merchants of Bristol, and also by the Agent of the Colony, and having heard what each party had to offer in Objection to, and in support of the said Act, it appeared, that the Operation of this Act being not confined to Insolvents in Prison, but extended to Debtors in general, it was principally in the Nature and Spirit of a Bankrupt Law, which although just and equitable in its abstract principle, had always been found in its execution to afford such opportunities for fraudulent practices that even in this Country, where in most cases the whole number of Creditors are resident on the spot, it might well be doubted whether the fair Trader did not receive more detriment than benefit from such a Law; But in a Colony where it is computed that not above a tenth part of its Creditors reside, a Bankrupt Law had hitherto been deemed inadmissable on account of the Injustice of its Operation with respect to the other Nine tenths of the Creditors residing in Great Britain. And that upon this Consideration, His late Majesty was pleased, in consequence of a Representation of the said Lords Commissioners dated the 29th of June 1758, to repeal an Act passed in the Province of the Massachusets Bay in 1757, for providing Remedy for Bankrupts and their Creditors. That exclusive of this general Objection to the Principle of the Act, as a Bankrupt Law, there were several of its Provisions which the said Merchants complained of as unequal to the Creditors in general, or injurious to themselves in particular, the most material of which were—

First. That by this Act the Insolvent Debtor had it in his power to clear himself by a Voluntary Surrender of all his Effects, which the Creditors were obliged to accept; But that they had no means of compelling him to such Surrender, and therefore that the advantage was not reciprocal.

Secondly. That within Ninety days after Surrender, the Creditors resident in Virginia were, by Majority of Number (without regard to value as the English Law requires) to chuse two Assignees from amongst themselves, in which choice, the Creditors residing here could have no share.

Thirdly. That these Assignees were within three months to sell the Debtors effects by Auction, upon twelve months Credit; whereby the Recovery of the whole produce of such Sale was rendered precarious: And the Security of such part of it as might happen to be received was also endangered, by the want of any obligation on the Assignees to appoint a Treasurer (as is the practice here) or to place it in other safe custody.

Fourthly. That the Assignees were to be allowed five per Cent. for their trouble, which was contrary to the practice of this Country and an unreasonable diminution of the Insolvents effects, to the prejudice of his Creditors.

Fifthly. That it was indeed Enacted that Creditors in Great Britain might transmit their Claims, duly proved, to their Agents, which being produced at any time before the Dividend was made should be allowed; But as the Act also declared that the Debtor might disprove any Demand and the Assignees might set one debt against another, and allow no more than should appear to be due on the Ballance of such an Account, the Mer-

chants apprehended that they were thereby exposed to the possibility of great injustice by making them Debtors for consignments, which though made, might never have been received, or at Prices, which the Commodities, though received, might never fetch.

Sixthly. That the Assignees might make a Dividend at the end of the twelve months after Sale of the Debtors Estate, but they were obliged (except in the Case of extraordinary circumstances in the recovery and Sale of the Insolvents effects) to make a final Dividend within Eighteen months after their appointment, and from thenceforth the Insolvent was made free and clear, whereby the British Creditor, if at this distance he should not have timely Notice of his Debtors Insolvency, or if his power of Attorney should miscarry, might frequently lose his whole debt.

And lastly, that this Act gave to Insolvents an allowance of Poundage on their Dividends without Limitation of any certain sum, which was conceived to be highly unreasonable and in improper encouragement to run in Debt, and that though the British Statute of Bankruptcy allowed the Bankrupt a Poundage and at the same Rates yet it restrained the amount of that allowance to the sum of three hundred pounds.

That for these Reasons the Principal Merchants of London and Bristol trading to Virginia, and the Merchants of Glasgow and Liverpoole (by Memorials presented to the said Lords Commissioners) had requested that this Act which took effect the 1st of June last, might not be suffered to continue in force.

The Refusal of the Cape Breton Concession

July 20, 1763

[REFERENCE to the Committee, and on 19 March by them to the Board of Trade, of the memorial of the Hon. William Howe on behalf of himself and other officers who served in America in the late war and are entitled under the proclamation to grants of land there:] being desirous to become Adventurers in Opening Coal Mines and Endeavouring to Establish a Colliery on the Island of Cape Breton for the better Supplying the several Colonies and Garrisons, on the Continent with Fuel, They humbly pray, that they may have granted to them (as their Allotment) a Tract of Land on the East shore of the aforesaid Island extending from the Point on the North side of Mire Bay to the South East side of the Entrance into the Labrador and Seven Miles Inland to be computed from the point and entrance abovementioned and supposed to contain about fifty five thousand Acres, which Tract the Memorialists will settle with Inhabitants in the manner directed by his Majestys Royal Proclamation.

[A memorial of Charles, Duke of Richmond, Lennox and Aubigny, for a grant in fee of Cape Breton Island to himself and others of the nobility and gentry, is referred to the Board of Trade. On 18 May their report is referred to the Committee.]

[Order is given in accordance with the Committee report of 21 May, agreeing with the Board of Trade, who represented] That was there no other Consideration in this matter than whether your Majesty should be graciously pleased to Grant the Island of Cape Breton to the Noble Memorialist as a Mark of your Royal favour and regard, we should not Hesitate to recommend to your Majesty to comply with his Graces request; but it is our Duty in the Station We are in, to consider the Publick Interest only, and to lay before your Majesty such Plans as will in our Judgment most effectively conduce to the promoting and extending the Commerce of your Majestys Kingdoms by encouraging the speedy Settlement of those Valuable Territories and Islands Ceded and Confirmed to your Majesty by the late Treaty of Peace; Your Majesty has been pleased to approve the Opinion, which we humbly offered in our Representations upon the Earl of Egmont's Memorials, praying a Grant of the Island of St. John, to which We beg leave to refer, and as the great extent of the Grant then desired was one Principal Argument which induced us humbly to advise your Majesty not to Comply with his Lordships Proposal, the same Argument Operates more strongly upon our Judgment in the present Instance, as the Island of Cape Breton is very Considerably larger than that of St. John. We cannot therefore avoid giving our humble Advice to your Majesty, that the same Principles your Majesty has been pleased to direct to be pursued in the Granting your Majestys Lands in the Island of St. John, should be adopted in Grants to be made of Lands in the Island of Cape Breton.

[Reference to the Committee of a Board of Trade representation of 10 July on several proposals for working collieries in Cape Breton Island.]

[Order in accordance with the Committee report of 17 July, that the proposal of Sir Samuel Fludyer and his associates should be accepted as the most advantageous for his Majesty's service,

and that the proposals, the Board of Trade representation, and the scheme of Joseph Guerish for the improvement of the coal mines in Nova Scotia, be referred to the Treasury for their opinion as to the manner and terms of the grant.]

[Reference to the Committee of a Treasury report, a Board of Trade representation and other papers relating to several proposals for working coalmines in Cape Breton Island.]

[Order in accordance with the Committee report of 29 Nov., agreeing with the Treasury, who represented] that in the late Grants of Lands in America Your Majesty had been advised to make an Express reservation of Mines of Coal which, although of less immediate and intrinsic Value than Gold, Silver and Copper, may yet, from other incidental Circumstances, and as a Material leading to Extensive manufactures, be consequentially and finally of as great, if not greater National Moment—That it has been the policy of this Century, to give large Bounties, upon the produce of pig and Bar Iron in Order to Divert the Colonies from the manufacture, that from the same Contemplation the Legislature has forbid the Erection of Slitting Mills in America, and that in Consequence of these Wise provisions, Iron is at present imported from the Colonies in the Material and returned to them in the Manufacture; That it appeared to them that it might seem a Sudden and Direct Contravention of this Excellent Policy, were they to advise Your Majesty to furnish America with the only possible means of Establishing a Manufacture, which Parliament has Exerted so much Authority and taken so many measures to prevent, that it has been alledged to the said Lords Commissioners, that the Quality of the Cape Breton Coal is the same as the Coal of Scotland, and therefore unfit for the manufacture of Iron by the Hammer but that they had no Satisfactory Evidence of this Fact laid before them, and that one of the petitioners, in particular, being Examined to this essential point, answered with great Candour and Disinterestedness "that he thought more than probable, that Coal fit for any Manufacture, might be found in a Vein of such Extent as that of Cape Breton is represented to be." That the Argument in the Representation of the Lords Commissioners of Trade and plantations, drawn from the high price of Coals in England seems to be a good Reason for preventing the Exportation of them to America, but does not touch the other, and, as they think, the higher Considerations which spring from the Nature of Commerce, and the Relation of the Colonies.—That as the prudence of the measure is equivocal, the object of Advantage proposed, but it is very Confined, in as much as the utmost Expectation of Revenue for five years, amounts to no more than twenty five thousand pounds and after that time it is supposed the profits may be doubled.—That having opened the Mines of Coal in Cape Breton, it might be very Difficult afterwards to refuse the same privilege upon equal necessity or Convenience alledged to other provinces, where Coal proper for the Hammer might meet the Bar and everything necessary for the Manufacture of Iron be found within the provinces themselves; that for these Reasons the said Lords Commissioners of Your Majestys Treasury are humbly of opinion that the opening Coal Mines in America to be worked at Large is in itself at least a Disputeable measure, in point of Expediency, an Innovation in the system hitherto pursued in the Regulation of the Colonies, too Doubtful in the principle, and too Delicate in the Consequences to be adopted and recommended by an office.

[The Committee accordingly reported] that it will not be adviseable for Your Majesty at present to authorize or Encourage the opening Coal Mines to be Worked in the Island of Cape Breton and that all Petitions for that purpose ought to be dismissed.

THE NAVIGATION ACTS

PROTECTION of its carrying trade was the cornerstone of British colonial policy. In the four decades between the First and the Fourth Navigation Acts, that policy was developed and made definite. The first act, 1660, primarily concerned with shipping, reflects England's effort to drive the Dutch from the carrying trade. All colonial produce was to be brought to England in British ships manned by crews at least three quarters of which were British. Certain enumerated colonial products—notably sugar, tobacco, indigo, ginger, and dyestuffs—were to be carried only to British ports. Foreign goods in foreign bottoms must enter England directly from their country of origin.

Three years later, a similar law announced

its purpose to keep the colonies in dependence and render them "more beneficial" to England in the employment of seamen, as a market for woolens, and as an entrepôt for British commerce. Careful provision was made for enforcement by the exaction of bonds and the requirement that colonial governors take a "solemn oath" to abide by the law. In 1672, these provisions were further strengthened by the requirement of an export duty to be paid on enumerated commodities unless bonds were given that they would be brought to England. Though the Stuarts lost their throne, their colonial policy was continued under William and Mary. Restrictions were even tightened, for Ireland was excluded from free trade with the colonies.

While the Navigation Acts and their enforcement did hamper colonial trade, they were generally considered a proper use of Parliament's authority. Even Adam Smith considered navigation laws a necessary exercise of national power, and deemed the British colonial policy justifiable. An English contemporary, Josiah Tucker, disagreed with him. The positions of both these great advocates are presented here.

Adam Smith (1723–1790) was born in Scotland and educated at Glasgow and Oxford. He prepared for the Anglican ministry, but relinquished this intention to spend the rest of his life as professor of moral philosophy at Edinburgh and as an independent student and writer. His great book, *Inquiry into the Nature and Causes of the Wealth of Nations* (Glasgow, 1776) was written over a ten-year period during which he held no teaching position. Smith broke with Mercantilism as a theory and as a public policy. To this extent, he and Locke are among the very first of our modern men in their understanding of the true role of liberty in society. But in the matter of colonial management, Smith hedged and ended by placing defense above opulence. Polemics aside, his description of the English colonial system is a very fair one.

The selection used here is from Book IV, chapters 7 and 8 of the *Wealth of Nations.*

That the Dean of Gloucester Cathedral should have written the *Four Tracts . . . on Political and Commercial Subjects* (1774) indicates the practical turn which certain Christians' thinking had taken in the age of common sense. In his sermons, Josiah Tucker (1712–1799) proved that commerce and true religion promote the same virtues and so supplement each other to the good of the community. In the tracts, he presents economic doctrines much resembling those of Adam Smith. Tucker denies the bullion theory of wealth, insists that only industry can make a country rich and asserts that no political exertion, not all the fleets and armies of the world, can hold a nation's markets if another nation can supply goods more cheaply. Wars for trade's sake are useless, therefore, and the mercantilist economics fallacious. Only saving, frugality, and moral conduct can make a nation economically flourishing.

The first two tracts, which are more general in scope, were meant to be part of a text in political economy designed for the instruction of the Prince of Wales who was to be George III. Tucker gave up the plan when he found that any work presenting a "free, generous and impartial System of national Commerce" would have embarrassing political repercussions. The third and fourth tracts, based on the laissez-faire reasoning of the others, present Tucker's idea of a proper colonial policy. Since freedom to trade where they wish is what the Northern colonies actually want, the metropolis should allow that freedom, grant political independence if that is desired, and then conclude a treaty of commerce with the new nation. The colonists will tire of their bargain, no doubt, but even if they do not, Tucker argues, better free trade with an independent America than an attempt to keep her in subjection by force. An unsuccessful punitive expedition will not help English business; a successful war ending in an attempt to govern the

continental colonies despotically will serve only to subvert English liberties. Peaceful separation, on the other hand, will save England the cost of colonial government and of bounties on colonial produce; it will not injure English trade, for even factious Americans are not fools enough to refuse to buy in the best market; and it may ultimately lead to a voluntary reunion as the weaker colonies seek English protection against oppression from the stronger.

Tucker's third tract was written in the same year (1766) that Franklin was proclaiming the colonies' complete loyalty; the fourth in 1774, before the fight at Concord.

The selections used here are from the *Third Tract* and the *Fourth Tract* and are from the original English editions.

The Wealth of Nations

BY ADAM SMITH

Book IV

Every European nation has endeavoured more or less to monopolize to itself the commerce of its colonies, and, upon that account, has prohibited the ships of foreign nations from trading to them, and has prohibited them from importing European goods from any foreign nation. But the manner in which this monopoly has been exercised in different nations has been very different.

Some nations have given up the whole commerce of their colonies to an exclusive company, to whom the colonies were obliged to sell the whole of their own surplus produce. It was the interest of the company, therefore, not only to sell the former as dear, and to buy the latter as cheap as possible, but to buy no more of the latter, even at this low price, than what they could dispose of for a very high price in Europe. It was their interest, not only to degrade in all cases the value of the surplus produce of the colony, but in many cases to discourage and keep down the natural increase of its quantity. Of all the expedients that can well be contrived to stunt the natural growth of a new colony, that of an exclusive company is undoubtedly the most effectual. This, however, has been the policy of Holland, though their company, in the course of the present century, has given up in many respects the exertion of their exclusive privilege. This too was the policy of Denmark till the reign of the late king. It has occasionally been the policy of France, and of late, since 1755, after it had been abandoned by all other nations, on account of its absurdity, it has become the policy of Portugal with regard at least to two of the principal provinces of Brazil, Pernambuco and Marannon.

Other nations, without establishing an exclusive company, have confined the whole commerce of their colonies to a particular port of the mother country, from whence no ship was allowed to sail, but either in a fleet and at a particular season, or, if single, in consequence of a particular licence, which in most cases was very well paid for. This policy opened, indeed, the trade of the colonies to all the natives of the mother country, provided they traded from the proper port, at the proper season, and in the proper vessels. But as all the different merchants, who joined their stocks in order to fit out those licensed vessels, would find it for their interest to act in concert, the trade which was carried on in this manner would necessarily be conducted very nearly upon the same principles as that of an exclusive company. The profit of those merchants would be almost equally exorbitant and oppressive. The colonies would be ill supplied, and would be obliged both to buy very dear, and to sell very cheap. This, however, till within these few years, had always been the policy of Spain, and the price of all European goods, accordingly, is said to have been enormous in the Spanish West Indies. . . . But it is chiefly in order to purchase European goods, that the colonies part with their own produce. The more, therefore, they pay for the one, the less they really get for the other, and the dearness of the one is the same thing with the cheapness of the other. The policy of Portugal is in this respect the same as the ancient policy of Spain, with regard to all its colonies, except Pernambuco and Marannon, and with regard to these it has lately adopted a still worse.

Other nations leave the trade of their colonies free to all their subjects, who may carry it on from all the different ports of the mother country, and who have occasion for no other licence than the common dispatches of the customhouse. In this case the number and dispersed situation of the

different traders renders it impossible for them to enter into any general combination, and their competition is sufficient to hinder them from making very exorbitant profits. Under so liberal a policy the colonies are enabled both to sell their own produce and to buy the goods of Europe at a reasonable price. But since the dissolution of the Plymouth company, when our colonies were but in their infancy, this has always been the policy of England. It has generally too been that of France, and has been uniformly so since the dissolution of what, in England, is commonly called their Mississippi company. The profits of the trade, therefore, which France and England carry on with their colonies, though no doubt somewhat higher than if the competition was free to all other nations, are, however, by no means exorbitant; and the price of European goods accordingly is not extravagantly high in the greater part of the colonies of either of those nations.

In the exportation of their own surplus produce too, it is only with regard to certain commodities that the colonies of Great Britain are confined to the market of the mother country. These commodities having been enumerated in the act of navigation and in some other subsequent acts have upon that account been called *enumerated commodities*.[1] The rest are called *non-enumerated*; and may be exported directly to other countries, provided it is in British or Plantation ships, of which the owners and three-fourths of the mariners are British subjects.

Among the non-enumerated commodities are some of the most important productions of America and the West Indies; grain of all sorts, lumber, salt provisions, fish, sugar and rum.

Grain is naturally the first and principal object of the culture of all new colonies. By allowing them a very extensive market for it, the law encourages them to extend this culture much beyond the consumption of a thinly inhabited country, and thus to provide beforehand an ample subsistence for a continually increasing population.

In a country quite covered with wood, where timber consequently is of little or no value, the expense of clearing the ground is the principal obstacle to improvement. By allowing the colonies a very extensive market for their lumber, the law endeavours to facilitate improvement by raising the price of a commodity which would otherwise be of little value, and thereby enabling them to make some profit of what would otherwise be mere expence.

In a country neither half-peopled nor half-cultivated, cattle naturally multiply beyond the consumption of the inhabitants, and are often upon that account of little or no value. But it is necessary, it has already been shewn, that the price of cattle should bear a certain proportion to that of corn before the greater part of the lands of any country can be improved. By allowing to American cattle, in all shapes, dead and alive, a very extensive market, the law endeavours to raise the value of a commodity of which the high price is so very essential to improvement. The good effects of this liberty, however, must be somewhat diminished by the 4th of George III. c. 15 which puts hides and skins among the enumerated commodities, and thereby tends to reduce the value of American cattle.

To increase the shipping and naval power of Great Britain, by the extension of the fisheries of our colonies, is an object which the legislature seems to have had almost constantly in view. Those fisheries, upon this account, have had all the encouragement which freedom can give them, and they have flourished accordingly. The New England fishery in particular was, before the late disturbances, one of the most important, perhaps, in the world. The whale-fishery which, notwithstanding an extravagant bounty, is in Great Britain carried on to so little purpose, that in the opinion of many people (which I do not, however, pretend to warrant) the whole produce does not much exceed the value of the bounties which are annually paid for it, is in New England carried on without any bounty to a very great extent. Fish is one of the principal articles with which the North Americans trade to Spain, Portugal and the Mediterranean.

Sugar was originally an enumerated commodity which could be exported only to Great Britain. But in 1731, upon a representation of the sugar-planters, its exportation was permitted to all parts of the world. The restrictions, however, with which this liberty was granted, joined to the high price of sugar in Great Britain, have rendered it, in a great measure, ineffectual. Great Britain and her colonies still continue to be almost the sole market for all the sugar produced in the British plantations. Their consumption increases so fast, that, though in consequence of the increasing improvement of Jamaica, as well as of the Ceded Islands, the importation of sugar has increased very greatly within these twenty years, the exportation to foreign countries is said to be not much greater than before.

[1] The commodities originally enumerated in 12 Car. II. c. 18, sec. 18, were sugar, tobacco, cotton-wool, indigo, ginger, fustic, and other dyeing woods.

Rum is a very important article in the trade which the Americans carry on to the coast of Africa, from which they bring back negroe slaves in return.

If the whole surplus produce of America in grain of all sorts, in salt provisions, and in fish, had been put into the enumeration, and thereby forced into the market of Great Britain, it would have interfered too much with the produce of the industry of our own people. It was probably not so much from any regard to the interest of America, as from a jealousy of this interference, that those important commodities have not only been kept out of the enumeration, but that the importation into Great Britain of all grain except rice, and of salt provisions, has, in the ordinary state of the law, been prohibited.

The non-enumerated commodities could originally be exported to all parts of the world. Lumber and rice, having been once put into the enumeration, when they were afterwards taken out of it, were confined, as to the European market, to the countries that lie south of Cape Finisterre. By the 6th of George III. c. 52. all non-enumerated commodities were subjected to the like restriction. The parts of Europe which lie south of Cape Finisterre, are not manufacturing countries, and we were less jealous of the colony ships carrying home from them any manufactures which could interfere with our own.

The enumerated commodities are of two sorts: first, such as are either the peculiar produce of America, or as cannot be produced, or at least are not produced, in the mother country. Of this kind are, molasses, coffee, cacao-nuts, tobacco, pimento, ginger, whale fins, raw silk, cotton-wool, beaver, and other peltry of America, indigo, fustic, and other dyeing woods: secondly, such as are not the peculiar produce of America, but which are and may be produced in the mother country, though not in such quantities as to supply the greater part of her demand, which is principally supplied from foreign countries. Of this kind are all naval stores, masts, yards, and bowsprits, tar, pitch, and turpentine, pig and bar iron, copper ore, hides and skins, pot and pearl ashes. The largest importation of commodities of the first kind could not discourage the growth or interfere with the sale of any part of the produce of the mother country. By confining them to the home market, our merchants, it was expected, would not only be enabled to buy them cheaper in the Plantations, and consequently to sell them with a better profit at home, but to establish between the Plantations and foreign countries an advantageous carrying trade, of which Great Britain was necessarily to be the center or emporium, as the European country into which those commodities were first to be imported. The importation of commodities of the second kind might be so managed, too, it was supposed, as to interfere, not with the sale of those of the same kind which were produced at home, but with that of those which were imported from foreign countries; because, by means of proper duties, they might be rendered always somewhat dearer than the former, and yet a good deal cheaper than the latter. By confining such commodities to the home market, therefore, it was proposed to discourage the produce, not of Great Britain, but of some foreign countries with which the balance of trade was believed to be unfavourable to Great Britain.

The prohibition of exporting from the colonies, to any other country but Great Britain, masts, yards, and bowsprits, tar, pitch, and turpentine, naturally tended to lower the price of timber in the colonies, and consequently to increase the expence of clearing their lands, the principal obstacle to their improvement. But about the beginning of the present century, in 1703, the pitch and tar company of Sweden endeavoured to raise the price of their commodities to Great Britain, by prohibiting their exportation, except in their own ships, at their own price, and in such quantities as they thought proper.[2] In order to counteract this notable piece of merchantile policy, and to render herself as much as possible independent, not only of Sweden, but of all the other northern powers, Great Britain gave a bounty upon the importation of naval stores from America and the effect of this bounty was to raise the price of timber in America, much more than the confinement to the home market could lower it; and as both regulations were enacted at the same time, their joint effect was rather to encourage than to discourage the clearing of land in America.

Though pig and bar iron too have been put among the enumerated commodities, yet as, when imported from America, they are exempted from considerable duties to which they are subject when imported from any other country,[3] the one part of the regulation contributes more to encourage the erection of furnaces in America, than the other to discourage it. There is no manufacture which occasions so great a consumption of wood as a furnace, or which can contribute so much to the clearing of a country over-grown with it.

The tendency of some of these regulations to

[2] Anderson, *Commerce*, a.d. 1703.

[3] 23 Geo. II., c. 29.

raise the value of timber in America, and thereby to facilitate the clearing of the land, was neither, perhaps, intended nor understood by the legislature. Though their beneficial effects, however, have been in this respect accidental, they have not upon that account been less real.

The most perfect freedom of trade is permitted between the British colonies of America and the West Indies, both in the enumerated and in the non-enumerated commodities. Those colonies are now become so populous and thriving, that each of them finds in some of the others a great and extensive market for every part of its produce. All of them taken together, they make a great internal market for the produce of one another.

The liberality of England, however, towards the trade of her colonies has been confined chiefly to what concerns the market for their produce, either in its rude state, or in what may be called the very first stage of manufacture. The more advanced, or more refined manufactures even of the colony produce, the merchants and manufacturers of Great Britain chuse to reserve to themselves, and have prevailed upon the legislature to prevent their establishment in the colonies, sometimes by high duties, and sometimes by absolute prohibitions. . . .

While Great Britain encourages in America the manufactures of pig and bar iron, by exempting them from duties to which the like commodities are subject when imported from any other country, she imposes an absolute prohibition upon the erection of steel furnaces and slit-mills in any of her American plantations.[4] She will not suffer her colonists to work on those more refined manufactures even for their own consumption; but insists upon their purchasing of her merchants and manufacturers all goods of this kind which they have occasion for.

She prohibits the exportation from one province to another by water, and even the carriage by land upon horseback or in a cart, of hats, of wools and woollen goods,[5] of the produce of America; a regulation which effectually prevents the establishment of any manufacture of such commodities for distant sale, and confines the industry of her colonists in this way to such coarse and household manufactures, as a private family commonly makes for its own use, or for that of some of its neighbors in the same province.

To prohibit a great people, however, from making all that they can of every part of their own produce, or from employing their stock and industry in the way that they judge most advantageous to themselves, is a manifest violation of the most sacred rights of mankind. Unjust, however, as such prohibitions may be, they have not hitherto been very hurtful to the colonies. Land is still so cheap, and, consequently, labour so dear among them, that they can import from the mother country, almost all the more refined or more advanced manufactures cheaper than they could make them for themselves. Though they had not, therefore, been prohibited from establishing such manufactures, yet in their present state of improvement, a regard to their own interest would, probably, have prevented them from doing so. In their present state of improvement, those prohibitions, perhaps, without cramping their industry, or restraining it from any employment to which it would have gone of its own accord, are only impertinent badges of slavery imposed upon them, without any sufficient reason, by the groundless jealousy of the merchants and manufacturers of the mother country. In a more advanced state they might be really oppressive and insupportable.

Great Britain, too, as she confines to her own market some of the most important productions of the colonies, so in compensation she gives to some of them an advantage in that market; sometimes by imposing higher duties upon the like productions when imported from other countries, and sometimes by giving bounties upon their importation from the colonies. In the first way she gives an advantage in the home-market to the sugar, tobacco, and iron of her own colonies, and in the second to their raw silk, to their hemp and flax, to their indigo, to their naval-stores, and to their building-timber. This second way of encouraging the colony produce by bounties upon importation, is, so far as I have been able to learn, peculiar to Great Britain. The first is not. Portugal does not content herself with imposing higher duties upon the importation of tobacco from any other country, but prohibits it under the severest penalties.

With regard to the importation of goods from Europe, England has likewise dealt more liberally with her colonies than any other nation.

Great Britain allows a part, almost always the half, generally a larger portion, and sometimes the whole of the duty which is paid upon the importation of foreign goods, to be drawn back upon their exportation to any foreign country. No independent foreign country, it was easy to foresee, would receive them if they came to it loaded with the heavy duties to which almost all foreign goods are subjected on their importation

[4] 23 Geo. II., c. 29.
[5] Hats under 5 Geo. II., c. 22; wools under 10 and 11 William III., c. 10.

into Great Britain. Unless, therefore, some part of those duties was drawn back upon exportation, there was an end of the carrying trade; a trade so much favoured by the mercantile system.

Our colonies, however, are by no means independent foreign countries; and Great Britain having assumed to herself the exclusive right of supplying them with all goods from Europe, might have forced them (in the same manner as other countries have done their colonies) to receive such goods, loaded with all the same duties which they paid in the mother country. But, on the contrary, till 1763, the same drawbacks were paid upon the exportation of the greater part of foreign goods to our colonies as to any independent foreign country. In 1763, by the 4th of Geo. III. c. 15. this indulgence was a good deal abated, and it was enacted, "That no part of the duty called the old subsidy should be drawn back for any goods of the growth, production, or manufacture of Europe or the East Indies, which should be exported from this kingdom to any British colony or plantation in America; wines, white callicoes and muslins excepted." Before this law, many different sorts of foreign goods might have been bought cheaper in the plantations than in the mother country; and some may still.

Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it must be observed, have been the principal advisers. We must not wonder, therefore, if, in the greater part of them, their interest has been more considered than either that of the colonies or that of the mother country. In their exclusive privilege of supplying the colonies with all the goods which they wanted from Europe, and of purchasing all such parts of their surplus produce as could not interfere with any of the trades which they themselves carried on at home, the interest of the colonies was sacrificed to the interest of those merchants. In allowing the same drawbacks upon the re-exportation of the greater part of European and East India goods to the colonies, as upon their re-exportation to any independent country, the interest of the mother country was sacrificed to it, even according to the mercantile ideas of that interest. It was for the interest of the merchants to pay as little as possible for the foreign goods which they sent to the colonies, and consequently, to get back as much as possible of the duties which they advanced upon their importation into Great Britain. They might thereby be enabled to sell in the colonies, either the same quantity of goods with a greater profit, or a greater quantity with the same profit, and, consequently, to gain something either in the one way or the other. It was, likewise, for the interest of the colonies to get all such goods as cheap and in as great abundance as possible. But this might not always be for the interest of the mother country. She might frequently suffer both in her revenue, by giving back a great part of the duties which had been paid upon the importation of such goods; and in her manufactures, by being undersold in the colony market, in consequence of the easy terms upon which foreign manufactures could be carried thither by means of those drawbacks. The progress of the linen manufacture of Great Britain, it is commonly said, has been a good deal retarded by the drawbacks upon the re-exportation of German linen to the American colonies. . . .

The exclusive trade of the mother countries tends to diminish, or, at least, to keep down below what they would otherwise rise to, both the enjoyments and industry of all those nations in general, and of the American colonies in particular. It is a dead weight upon the action of one of the great springs which puts into motion a great part of the business of mankind. By rendering the colony produce dearer in all other countries, it lessens its consumption, and thereby cramps the industry of the colonies, and both the enjoyments and the industry of all other countries, which both enjoy less when they pay more for what they enjoy, and produce less when they get less for what they produce. By rendering the produce of all other countries dearer in the colonies, it cramps, in the same manner, the industry of all other countries, and both the enjoyments and the industry of the colonies. It is a clog which, for the supposed benefit of some particular countries, embarrasses the pleasures, and encumbers the industry of all other countries; but of the colonies more than of any other. It not only excludes, as much as possible, all other countries from one particular market; but it confines, as much as possible, the colonies to one particular market: and the difference is very great between being excluded from one particular market, when all others are open, and being confined to one particular market, when all others are shut up. The surplus produce of the colonies, however, is the original source of all that increase of enjoyments and industry which Europe derives from the discovery and colonization of America; and the exclusive trade of the mother countries tends to render this source much less abundant than it otherwise would be. . . .

To found a great empire for the sole purpose of raising up a people of customers, may at first appear a project fit only for a nation of shop-

keepers. It is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation whose government is influenced by shopkeepers. Such statesmen, and such statesmen only, are capable of fancying that they will find some advantage in employing the blood and treasure of their fellow-citizens to found and maintain such an empire. Say to a shopkeeper, Buy me a good estate, and I shall always buy my clothes at your shop, even though I should pay somewhat dearer than what I can have them for at other shops; and you will not find him very forward to embrace your proposal. But should any other person buy you such an estate, the shopkeeper would be much obliged to your benefactor if he would enjoin you to buy all your clothes at his shop. England purchased for some of her subjects, who found themselves uneasy at home, a great estate in a distant country. The price, indeed, was very small, and instead of thirty years purchase, the ordinary price of land in the present times, it amounted to little more than the expence of the different equipments which made the first discovery, reconnoitred the coast, and took a fictitious possession of the country. The land was good and of great extent, and the cultivators having plenty of good ground to work upon, and being for some time at liberty to sell their produce where they pleased, became in the course of little more than thirty or forty years (between 1620 and 1660) so numerous and thriving a people, that the shopkeepers and other traders of England wished to secure to themselves the monopoly of their custom. Without pretending, therefore, that they had paid any part, either of the original purchase-money, or of the subsequent expence of improvement, they petitioned the parliament that the cultivators of America might for the future be confined to their shop; first, for buying all the goods which they wanted from Europe; and, secondly, for selling all such parts of their own produce as those traders might find it convenient to buy. For they did not find it convenient to buy every part of it. Some parts of it imported into England might have interfered with some of the trades which they themselves carried on at home. Those particular parts of it, therefore, they were willing that the colonists should sell where they could; the farther off the better; and upon that account proposed that their market should be confined to the countries south of Cape Finisterre. A clause in the famous act of navigation established this truly shopkeeper proposal into a law.

The maintainance of this monopoly has hitherto been the principal, or more properly perhaps the sole end and purpose of the dominion which Great Britain assumes over her colonies. In the exclusive trade, it is supposed, consists the great advantage of provinces, which have never yet afforded either revenue or military force for the support of the civil government, or the defence of the mother country. The monopoly is the principal badge of their dependency, and it is the sole fruit which has hitherto been gathered from that dependency. Whatever expence Great Britain has hitherto laid out in maintaining this dependency, has really been laid out in order to support this monopoly. The expence of the ordinary peace establishment of the colonies amounted, before the commencement of the present disturbances, to the pay of twenty regiments of foot; to the expence of the artillery, stores, and extraordinary provisions with which it was necessary to supply them; and to the expence of a very considerable naval force which was constantly kept up, in order to guard, from the smuggling vessels of other nations, the immense coast of North America, and that of our West Indian islands. The whole expence of this peace establishment was a charge upon the revenue of Great Britain, and was, at the same time, the smallest part of what the dominion of the colonies has cost the mother country. If we would know the amount of the whole, we must add to the annual expence of this peace establishment the interest of the sums which, in consequence of her considering her colonies as provinces subject to her dominion, Great Britain has upon different occasions laid out upon their defence. We must add to it, in particular, the whole expence of the late war, and a great part of that of the war which preceded it. The late war was altogether a colony quarrel, and the whole expence of it, in whatever part of the world it may have been laid out, whether in Germany or the East Indies, ought justly to be stated to the account of the colonies. It amounted to more than ninety millions sterling, including not only the new debt which was contracted, but the two shillings in the pound additional land tax, and the sums which were every year borrowed from the sinking fund. The Spanish war which began in 1739, was principally a colony quarrel. Its principal object was to prevent the search of the colony ships which carried on a contraband trade with the Spanish main. This whole expence is, in reality, a bounty which was given in order to support a monopoly. The pretended purpose of it was to encourage the manufactures, and to increase the commerce of Great Britain. But its real effect has been to raise the rate of mercantile profit, and to enable our merchants to turn into a

branch of trade, of which the returns are more slow and distant than those of the greater part of other trades, a greater proportion of their capital than they otherwise would have done; two events which if a bounty could have prevented, it might perhaps have been very well worth while to give such a bounty.

Under the present system of management, therefore, Great Britain derives nothing but loss from the dominion which she assumes over her colonies.

To propose that Great Britain should voluntarily give up all authority over her colonies, and leave them to elect their own magistrates, to enact their own laws, and to make peace and war as they might think proper, would be to propose such a measure as never was and never will be adopted, by any nation in the world. No nation ever voluntarily gave up the dominion of any province, how troublesome soever it might be to govern it, and how small soever the revenue which it afforded might be in proportion to the expence which it occasioned. Such sacrifices, though they might frequently be agreeable to the interest, are always mortifying to the pride of every nation, and what is perhaps of still greater consequence, they are always contrary to the private interest of the governing part of it, who would thereby be deprived of the disposal of many places of trust and profit, of many opportunities of acquiring wealth and distinction, which the possession of the most turbulent, and, to the great body of the people, the most unprofitable province seldom fails to afford. The most visionary enthusiast would scarce be capable of proposing such a measure, with any serious hopes at least of its ever being adopted. If it was adopted, however, Great Britain would not only be immediately freed from the whole annual expence of the peace establishment of the colonies, but might settle with them such a treaty of commerce as would effectually secure to her a free trade, more advantageous to the great body of the people, though less so to the merchants, than the monopoly which she at present enjoys. By thus parting good friends, the natural affection of the colonies to the mother country, which, perhaps, our late dissensions have well nigh extinguished, would quickly revive. It might dispose them not only to respect, for whole centuries together, that treaty of commerce which they had concluded with us at parting, but to favour us in war as well as in trade, and, instead of turbulent and factious subjects, to become our most faithful, affectionate, and generous allies; and the same sort of parental affection on the one side, and filial respect on the other, might revive between Great Britain and her colonies, which used to subsist between those of ancient Greece and the mother city from which they descended.

Tract III

BY JOSIAH TUCKER

. . . Upon the whole therefore, what is the Cause of such an amazing Outcry as you raise at present? —Not the Stamp Duty itself; all the World are agreed on that Head; and none can be so ignorant, or so stupid, as not to see, that this is a mere Sham and Pretence. What then are the real Grievances, seeing that the Things which you alledge are only the pretended ones? Why, some of you are exasperated against the Mother Country, on account of the Revival of certain Restrictions laid upon their Trade:—I say, a[1] *Revival;* for the same Restrictions have been the standing Rules of Government from the Beginning; though not enforced at all Times with equal Strictness. During the late War, you *Americans* could not import the Manufactures of other Nations (which it is your constant Aim to do, and the Mother Country always to prevent) so conveniently as you can in Times of Peace; and therefore, there was no Need of watching you so narrowly, as far as that Branch of Trade was concerned. But immediately upon the Peace, the various Manufactures of *Europe,*

[1] Ever since the Discovery of *America*, it has been the System of every *European* Power, which had Colonies in that Part of the World, to confine (as far as Laws can confine) the Trade of the Colonies to the Mother Country, and to exclude all others, under the Penalty of Confiscation, *&c.* from partaking in it. Thus, the Trade of the *Spanish* Colonies is confined by Law to *Old Spain*,—the Trade of the *Brazils* to *Portugal*,—the Trade of *Martinico* and the other *French* Colonies to *Old France*,—and the Trade of *Curacoa* and *Surinam* to *Holland*. But in one Instance the *Hollanders* make an Exception (perhaps a wise one) *viz.* in the Cafe of *Eustatia*, which is open to all the World. Now, that the *English* thought themselves entitled to the same Right over their Colonies, which other Nations claim over theirs, and that they exercised the same Right by making what Regulations they pleased, may be seen by the following Acts of Parliament, *viz.* 12 of Car. II. Chap. 18.—15 of Car. II. Ch. 7.—22 and 23 of C. II. Ch. 26.—25 of C. II. Ch. 7.—7

particularly those of *France*, which could not find Vent before, were spread, as it were, over all your Colonies, to the prodigious Detriment of your Mother Country; and therefore our late Set of Ministers acted certainly right, in putting in Force the Laws of their Country, in order to check this growing Evil. If in so doing, they committed any Error; or, if the Persons to whom the Execution of these Laws were intrusted, exceeded their Instructions; there is no Doubt to be made, but that all this will be rectified by the present Administration. And having done that, they will have done all that in Reason you can expect from them. But alas! the Expectations of an *American* carry him much further: For he will ever complain and smuggle, and smuggle and complain, 'till all Restraints are removed, and 'till he can both buy and sell, whenever, and wheresoever he pleases. Any thing short of this, is still a Grievance, a Badge of Slavery, an Usurpation on the natural Rights and Liberties of a free People, and I know not how many bad Things besides.

But, my good Friend, be assured, that these are Restraints, which neither the present, nor any future Ministry can exempt you from. They are the standing Laws of the Kingdom; and God forbid, that we should allow that dispensing Power to our Ministers, which we so justly deny to our Kings. In short, while you are a Colony, you must be subordinate to the Mother Country. These are the Terms and Conditions, on which you were permitted to make your first Settlements: They are the Terms and Conditions on which you alone can be entitled to the Assistance and Protection of *Great-Britain;*—they are also the fundamental Laws of the Realm;—and I will add further, that if *we* are obliged to pay many Bounties for the Importation of *your* Goods, and are excluded from purchasing such Goods, in other Countries (where we might purchase them on much cheaper Terms) in order to promote *your* Interest;—by Parity of Reason *you* ought to be subject to the like Exclusions, in order to promote *ours*. This then being the Case, do not expect, from the present Ministry, that which is impossible for any Set of Ministers to grant. All that they can do, is to connive a while at your unlawful Proceedings. But this can be but of short Duration: For as soon as ever fresh Remonstrances are made by the *British* Manufacturers, and *British* Merchants, the Ministry must renew the Orders of their Predecessors; they must enforce the Laws; they must require Searches, and Confiscations to be made; and then the present Ministers will draw upon themselves, for *doing their Duty*, just the same Execrations, which you now bestow upon the last.

So much as to your first Grievance; and as to your second, it is, beyond Doubt, of a Nature still worse. For many among you are sorely concerned, That they cannot pay their *British* Debts with an *American* Sponge. This is an intolerable Grievance; and they long for the Day when they shall be freed from this galling Chain. Our Merchants in *London*, *Bristol*, *Liverpool*, *Glasgow*, *&c. &c.* perfectly understand *your* many Hints and Inuendoes to us, on this Head. But indeed, lest we should be so dull as not to comprehend your Meaning, you have spoken out, and proposed an open Association against paying your just Debts. Had *our* Debtors in any other Part of the Globe, had the *French* or *Spaniards* proposed the like (and surely they have all at least an equal Right) what Name would you have given to such Proceedings?—But I forget: You are not the faithless *French* or *Spaniards:* You are ourselves: You are honest *Englishmen.*

Your third Grievance is the Sovereignty of *Great-Britain*. For you want to be independent: You wish to be an Empire by itself, and to be no longer the Province of another. This Spirit is uppermost; and this Principle is visible in all your Speeches, and all your Writings, even when you take some Pains to disguise it.—"What! an Island! A Spot such as this to command the great and mighty Continent of *North-America!* Preposterous! A Continent, whose Inhabitants double every five and twenty Years! Who therefore, within a Century and an Half will be upwards of an hundred and twenty Millions of Souls!—Forbid it Patriotism, forbid it Politics, that such a great and mighty Empire as this, should be held in Subjection by the paltry Kingdom of *Great-Britain!* Rather let the Seat of Empire be transferred; and let it be fixt, where it ought to be, *viz.* in *Great America!*"

Now, my good Friend, I will not stay to dispute with you the Calculations, on which your Orators, Philosophers, and Politicians have, for

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and 8 of Will. III. Ch. 22.—10 and 11 of W. III. Ch. 21.—3 and 4 of Ann. Ch. 5 and 10.—8 of Ann. Ch. 13.—12 of Ann. Ch. 9.—1 of G. I. Ch. 26.—3 of G. I. Ch. 21.—8 of G. I. Ch. 15 and 18.—11 of G. I. Ch. 29.—12 of G. I. Ch. 5.—2 of G. II. Ch. 28 and 35.—3 of G. II. Ch. 28.—4 of G. II. Ch. 15.—5 of G. II. Ch. 7 and 9.—6 of G. II. Ch. 13.—8 of G. II. Ch. 18.—11 of G. II. Ch. 29.—12 of G. II. Ch. 30.—13 of G. II. Ch. 4 and 7.—15 and 16 of G. II. Ch. 23.—with many others of a later Date. I might also mention the Laws made in the Reign of his present Majesty; but as these Laws are now the Point Controversy, I forbear.

some Years past, grounded these extravagant Conceits (though I think the Calculations themselves both false, and absurd); but I will only say, that while we have the Power, we may command your Obedience, if we please: And that it will be Time enough for you to propose the making us a Province to *America*, when you shall find yourselves able to execute the Project.

In the mean Time, the great Question is, What Course are *we* to take? And what are we to do with *you*, before you become this great and formidable People?—Plain and evident it is by the whole Tenor of your Conduct, that you endeavour, with all your Might, to drive us to Extremities. For no Kind of Outrage, or Insult, is omitted on your Part, that can irritate Individuals, or provoke a Government to chastise the Insolence, not to say the Rebellion of its Subjects; and you do not seem at all disposed to leave Room for an Accommodation. In short, the Sword is the only Choice, which you will permit us to make; unless we will chuse to give you entirely up, and subscribe a Recantation. Upon those Terms indeed, you will deign to acknowledge the Power and Authority of a *British* Parliament; —that is, you will allow, that we have a Right and a Power to give you Bounties, and to pay your Expences; but no other. A strange Kind of Allegiance this! And the first that has ever yet appeared in the History of Mankind!

However, this being the Case, shall we now compel you, by Force of Arms, to do your Duty? —Shall we procrastinate your Compulsion?—Or shall we entirely give you up, and have no other Connections with you, than if you had been so many Sovereign States, or Independent Kingdoms? One or other of these three will probably be resolved upon: And if it should be the first, I do not think that we have any Cause to fear the Event, or to doubt of Success.

For though your Populace may rob and plunder the Naked and Defenceless, this will not do the Business when a regular Force is brought against them. And a *British* Army, which performed so many brave Actions in *Germany*, will hardly fly before an *American* Mob; not to mention that our Officers and Soldiers, who passed several Campaigns with your Provincials in *America*, saw nothing either in their Conduct, or their Courage, which could inspire them with a Dread of seeing the Provincials a second Time.—Neither should we have the least Cause to suspect the *Fidelity* of our Troops, any more than their *Bravery*,—notwithstanding the base Insinuations of some of your Friends here (if indeed such Persons deserve to be called your Friends, who are in reality your greatest Foes, and whom you will find to be so at the last); notwithstanding, I say, their Insinuations of the Feasibility of corrupting his Majesty's Forces, when sent over, by Means of large Bribes, or double Pay. This is a Surmise, as weak as it is wicked: For the Honour of the *British* Soldiery, let me tell you, is not so easily corrupted. The *French* in *Europe* never found it so, with all their Gold, or all their Skill for Intrigue, and insinuating Address. What then, in the Name of Wonder, have you to tempt them with in *America*, which is thus to overcome, at once, all their former Sense of Duty, all the Tyes of Conscience, Loyalty and Honour?—Besides, my Friend, if you really are so rich, as to be able to give *double* Pay, to our Troops, in a wrong Cause; do not grudge, let me beseech you, to give *one third* of *single* Pay (for we ask no more) in a right one:—And let it not be said, that you complain of Poverty, and plead an Inability to Pay your just Debts, at the very Instant that you boast of the scandalous Use which you intend to make of your Riches.

But notwithstanding all this, I am not for having Recourse to Military Operations. For granting, that we shall be victorious, still it is proper to enquire, before we begin, How we are to be benefited by our Victories? And what Fruits are to result from making you a conquered People?—Not an Increase of Trade; that is impossible: For a Shop-keeper will never get the more Custom by beating his Customers: And what is true of a Shop-keeper, is true of a Shop-keeping Nation. We may indeed vex and plague you, by stationing a great Number of Ships to cruize along your Coasts; and we may appoint an Army of Custom-house Officers to patrolle (after a Manner) two thousand Miles by Land. But while we are doing these Things *against you*, what shall we be doing *for ourselves?* Not much, I am afraid: For we shall only make you the more ingenious, the more intent, and the more inventive to deceive us. We shall sharpen your Wits, which are pretty sharp already, to elude our Searches, and to bribe and corrupt our Officers. And after that is done, we may perhaps oblige you to buy the Value of twenty, or thirty thousand Pounds of *British* Manufactures, more than you would otherwise have done,—at the Expence of two, or three hundred thousand Pounds Loss to *Great-Britain*, spent in Salaries, Wages, Ships, Forts, and other incidental Charges. Is this now a gainful Trade, and fit to be encouraged in a commercial Nation, so many Millions in Debt already? And yet this is the best, which we can expect by forcing you to trade with

us, against your Wills, and against your Interests?

Therefore such a Measure as this being evidently detrimental to the Mother Country, I will now consider the second Proposal, *viz.* to procrastinate your Compulsion.—But what good can that do? And wherein will this Expedient mend the Matter? For if Recourse is to be had at last to the Military Power, we had better begin with it at first; it being evident to the whole World, that all Delays on our Side will only strengthen the Opposition on yours, and be interpreted by you as a Mark of Fear, and not as an Instance of Lenity. You swell with too much vain Importance, and Self-sufficiency already; and therefore, should we betray any Token of Submission; or should we yield to these your ill-humoured and petulant Desires; this would only serve to confirm you in your present Notions; *viz.* that you have nothing more to do, than to demand with the Tone of Authority, and to insist, with Threatenings and Defiance, in order to bring us upon our Knees, and to comply with every unreasonable Injunction, which you shall be pleased to lay upon us. So that at last, when the Time shall come of appealing to the Sword, and of deciding our Differences by Dint of Arms, the Consequence of this Procrastination will be, that the Struggle will become so much the more obstinate, and the Determination the more bloody. Nay, the Merchants themselves, whose Case is truly pitiable for having confided so much to your Honour, and for having trusted you with so many hundred thousand Pounds, or perhaps with some Millions of Property, and for whose Benefit alone such a Suspension of the Stamp Act could be proposed; they will find to their Costs, that every Indulgence of this Nature will only furnish another Pretence to you for the suspending of the Payment of their *just* Demands. In short, you declare, that the Parliament hath no Right to tax you; and therefore you demand a Renunciation of the Right, by repealing the Act. This being the Case, nothing more than a Renunciation can be satisfactory; because nothing else can amount to a Confession, that the Parliament has acted illegally and usurpingly in this Affair. A bare Suspension, or even a mere Repeal, is no Acknowledgment of Guilt; nay, it supposes quite the contrary; and only postpones the Exercise of this usurped Power to a more convenient Season. Consequently if you think you could justify the Non-payment of your Debts, 'till a Repeal took Place, you certainly can justify the Suspension of the Payment 'till we have acknowledged our Guilt. So that after all, the Question must come to this at last, *viz.* Shall we renounce any Legislative Authority over you, and yet maintain you as we have hitherto done? Or shall we give you entirely up, unless you will submit to be governed by the same Laws as we are, and pay something towards maintaining yourselves?

The first it is certain we cannot do; and therefore the next Point to be considered is (which is also the third Proposal) Whether we are to give you entirely up?—*And after having obliged you to pay your Debts*, whether we are to have no further Connection with you, as a dependent State, or Colony.

Now, in order to judge properly of this Affair, we must give a Delineation of two Political Parties contending with each other, and struggling for Superiority:—And then we must consider, which of these two, must be first tired of the Contest, and obliged to submit.

Behold therefore a Political Portrait of the Mother Country;—a mighty Nation under one Government of a King and Parliament,—firmly resolved not to repeal the Act, but to give it Time to execute itself,—steady and temperate in the Use of Power,—not having Recourse to sanguinary Methods,—but enforcing the Law by making the Disobedient feel the Want of it,—determined to protect and cherish those Colonies, which will return to their Allegiance within a limited Time (suppose twelve or eighteen Months)—and as determined to compel the obstinate Revolters to pay their Debts,—then to cast them off, and to exclude them *for ever* from the manifold Advantages and Profits of Trade, which they now enjoy by no other Title, but that of being a Part of the *British* Empire. Thus stands the Case; and this is the View of Things on one Side.

Observe again a Prospect on the other; *viz.* a Variety of little Colonies under a Variety of petty Governments,—Rivals to, and jealous of each other,—never able to agree about any thing before,—and only now united by an Enthusiastic Fit of false Patriotism;—a Fit which necessarily cools in Time, and cools still the faster, in Proportion, as the Object which first excited it is removed, or changed. So much as to the general Outlines of your *American* Features;—but let us now take a nearer View of the Evils, which by your own mad Conduct you are bringing so speedily upon yourselves.

Externally, by being severed from the *British* Empire, you will be excluded from cutting Logwood in the Bays of *Campeachy* and *Honduras*, —from fishing on the Banks of *Newfoundland*, on the Coasts of *Labrador*, or in the Bay of *St. Lau-*

rence,—from trading (except by Stealth) with the Sugar Islands, or with the *British* Colonies in any Part of the Globe. You will also lose all the Bounties upon the Importation of your Goods into *Great-Britain:* You will not dare to seduce a single Manufacturer or Mechanic from us under Pain of Death; because you will then be considered in the Eye of the Law as mere Foreigners, against whom these Laws were made. You will lose the Remittance of 300,000l. a Year to pay your Troops; and you will lose the Benefit of these Troops to protect you against the Incursions of the much injured and exasperated Savages; moreover, in Case of Difference with other Powers, you will have none to complain to, none to assist you: For assure yourself, that *Holland*, *France*, and *Spain*, will look upon you with an evil Eye; and will be particularly on their Guard against you, lest such an Example should infect their own Colonies; not to mention that the two latter will not care to have such a Nest of professed Smugglers so very near them. And after all, and in Spite of any thing you can do, we in *Britain* shall still retain the greatest Part of your *European* Trade; because we shall give a better Price for many of your Commodities than you can have any where else; and we shall sell to you several of our Manufactures, especially in the Woollen, Stuff, and Metal Way, on cheaper Terms. In short, you will do then, what you only do now; that is, you will trade with us, as far as your Interest will lead you; and no farther.

Take now a Picture of your *internal* State. When the great Power, which combined the scattered Provinces together, and formed them into one Empire, is once thrown off; and when there will be no common Head to govern and protect, all your ill Humours will break forth like a Torrent: Colony will enter into Bickerings and Disputes against Colony; Faction will intrigue and cabal against Faction; and Anarchy and Confusion will every where prevail. The Leaders of your Parties will then be setting all their Engines to work, to make Fools become the Dupes of Knaves, to bring to Maturity their half-formed Schemes and lurking Designs, and to give a Scope to that towering Ambition which was checked and restrained before. In the mean Time, the Mass of your People, who expected, and who were promised Mountains of Treasures upon throwing off, what was called, the Yoke of the Mother Country, will meet with nothing but sore Disappointments: Disappointments indeed! For instead of an imaginary Yoke, they will be obliged to bear a real, a heavy, and a galling one: Instead of being freed from the Payment of 100,000l. (which is the utmost that is now expected from them) they will find themselves loaded with Taxes to the Amount of at least 400,000l.: Instead of an Increase of Trade, they will feel a palpable Decrease; and instead of having Troops to defend them, and those Troops paid by *Great-Britain*, they must defend themselves, and pay themselves. Nay, the Number of the Troops to be paid, will be more than doubled; for some must be stationed in the back Settlements to protect them against the *Indians*, whom they have so often injured and exasperated, and others also on each Frontier to prevent the Encroachments of each Sister Colony. Not to mention, that the Expences of your Civil Governments will be necessarily increased; and that a Fleet, more or less, must belong to each Province for guarding their Coasts, ensuring the Payment of Duties, and the like.

Under all these Pressures and Calamities, your deluded Countrymen will certainly open their Eyes at last. For Disappointments and Distresses will effectuate that Cure, which Reason and Argument, Lenity and Moderation, could not perform. In short, having been severely scourged and disciplined by their own Rod, they will curse their ambitious Leaders, and detest those Mock-Patriots, who involved them in so many Miseries. And having been surfeited with the bitter Fruits of American Republicism, they will heartily wish, and petition to be again united to the Mother Country. Then they will experience the Difference between a rational Plan of Constitutional Dependence, and the wild, romantic, and destructive Schemes of popular Independence.

Tract IV

BY JOSIAH TUCKER

. . . But here some may be apt to ask, "Had the Colonies no Provocation on their Part? And was all the Fault on one Side, and none on the other?" Probably not:—Probably there were Faults on both Sides. But what doth this serve to prove? If to exculpate the Colonies in regard to their present refractory Behaviour, it is needless. For I am far from charging our Colonies in particular with being Sinners above others; because I believe (and if I am wrong, let the History of all Colonies,

whether antient or modern, from the Days of *Thucydides* down to the present Time, confute me if it can; I say, 'till that is done I believe) that it is the Nature of them all to aspire after Independence, and to set up for themselves as soon as ever they find that they are able to subsist, without being beholden to the Mother-Country. And if our *Americans* have expressed themselves sooner on this Head than others have done, or in a more direct and daring Manner, this ought not to be imputed to any greater Malignity, or Ingratitude in them, than in others, but to that bold free Constitution, which is the Prerogative and Boast of us all. We ourselves derive our Origin from those very *Saxons*, who inhabited the lower Parts of *Germany;* and yet I think it is sufficiently evident, that we are not over complaisant to the Descendants of these lower *Saxons*, i.e. to the Offspring of our own Progenitors; nor can we, with any Colour of Reason, pretend to complain that even the *Bostonians* have treated us more indignantly than we have treated the *Hanoverians*. What then would have been the Case, if the little insignificant Electorate of *Hanover* had presumed to retain a Claim of Sovereignty over such a Country as *Great-Britain*, the Pride and Mistress of the Ocean? And yet, I believe, that in Point of Extent of Territory, the *present* Electoral Dominions, insignificant as they are sometimes represented, are more than a Moiety of *England*, exclusive of *Scotland* and *Wales:* Whereas the whole Island of *Great-Britain*, is scarcely a twentieth Part of those vast Regions which go under the Denomination of *North-America*.

Besides, if the *American* Colonies belonging to *France* or *Spain*, have not yet set up for Independence, or thrown off the Masque so much as the *English* Colonies have done,—what is this superior Reserve to be imputed to? Not to any greater filial Tenderness in them for their respective antient Parents than in others;—not to Motives of any national Gratitude, or of national Honour;—but because the Constitution of each of those Parent States is much more arbitrary and despotic than the Constitution of *Great-Britain;* and therefore their respective Offsprings are [1] awed by the Dread of Punishments from breaking forth into those Outrages which ours dare do with Impunity. Nay more, the very Colonies of *France* and *Spain*, though they have not yet thrown off their Allegiance, are nevertheless as forward as any in disobeying the Laws of their Mother-Countries, wherever they find an Interest in so doing. For the Truth of this Fact, I appeal to that prodigious clandestine Trade which they are continually carrying on with us, and with our Colonies, contrary to the express Prohibitions of *France* and *Spain:* And I appeal also to those very free Ports which the *British* Legislature itself hath lately opened for accommodating these *smuggling* Colonists to trade with the Subjects of *Great-Britain*, in Disobedience to the Injunction of their Mother-Countries.

Enough surely has been said on this Subject; and the Upshot of the whole Matter is plainly this, —That even the arbitrary and despotic Governments of *France* and *Spain* (arbitrary I say, both in *Temporals* and in *Spirituals*) maintain their Authority over their American Colonies but very imperfectly; in as much as they cannot restrain them from breaking through those Rules and Regulations of exclusive Trade; for the Sake of which all Colonies seemed to have been originally founded. What then shall we say in Regard to such Colonies as are the Offspring of a free Constitution? And after what Manner, or according to what Rule, are our own in particular to be governed, without using any Force or Compulsion, or pursuing any Measure repugnant to their own Ideas of civil or religious Liberty? In short, and to sum up all, in one Word, How shall we be able to render these Colonies more subservient to the Interests, and more obedient to the Laws and Government of the Mother-Country, than they *voluntarily chuse to be?* After having pondered and revolved the Affair over and over, I confess, there seems to me to be but the five following Proposals, which can possibly be made, *viz.*

1st, To suffer Things to go on for a While, as they have lately done, in Hopes that some favourable Opportunity may offer for recovering the Jurisdiction of the *British* Legislature over her Colonies, and for maintaining the Authority of the Mother-Country.—Or if these temporising Measures should be found to strengthen and confirm the Evil, instead of removing it;—then,

2dly, To attempt to persuade the Colonies to send over a certain Number of Deputies, or Representatives, to sit and vote in the *British* Parliament; in order to incorporate *America* and *Great-Britain* into one common Empire.—Or if this Proposal should be found impracticable, whether on Account of the Difficulties attending it on this side of the Atlantic, or because that the *Americans* themselves would not concur in such a Measure; —then,

3dly, To declare open War against them as

[1] But notwithstanding this Awe, it is now pretty generally known, that the *French* Colonists of *Hispaniola* endeavoured lately to shake off the Government of *Old France*, and applied to the *British* Court for that Purpose.

Rebels and Revolters; and after having made a perfect Conquest of the Country, then to govern it by military Force and despotic Sway.—Or if this Scheme should be judged (*as it ought to be*) the most destructive, and the least eligible of any; —then,

4thly, To propose to consent that *America* should become the general Seat of Empire; and that *Great-Britain* and *Ireland* should be governed by Vice-Roys sent over from the Court Residencies, either at *Philadelphia* or *New-York*, or at some other *American* imperial City.—Or if this Plan of Accommodation should be ill-digested by home-born *Englishmen*, who, I will venture to affirm, would never submit to such an Indignity; —then,

5thly, To propose to separate entirely from the Colonies, by declaring them to be a free and independent People, over whom we lay no Claim; and then by offering to guarantee this Freedom and Independence against all foreign Invaders whomsoever. . . .

FOURTH SCHEME,

Viz. To consent that *America* should become the general Seat of Empire, and that *Great-Britain* and *Ireland*, should be governed by Vice-Roys sent over from the Court Residencies either at *Philadelphia*, or *New-York*, or at some other *American* Imperial City.

Now, wild as such a Scheme may appear, there are certainly some *Americans* who seriously embrace it: And the late prodigious Swarms of Emigrants encourage them to suppose, that a Time is approaching, when the Seat of Empire must be changed. But whatever Events may be in the Womb of Time, or whatever Revolutions may happen in the Rise and Fall of Empires, there is not the least Probability, that this Country should ever become a Province to *North-America*. For granting even, that it would be so weakened and enfeebled by these Colony-Drains, as not to be able to defend itself from Invaders, yet *America* is at too great a Distance to invade it at first, much less to defend the Conquest of it afterwards, against the neighbouring Powers of *Europe*. And as to any Notion that we ourselves should prefer an *American* Yoke to any other,—this Supposition is chimerical indeed: Because it is much more probable, were Things to come to such a dreadful Crisis, that the *English* would rather submit to a *French* Yoke, than to an *American;* as being the lesser Indignity of the two. So that in short, if we must reason in Politics according to the *Newtonian* Principles in Philosophy,—the Idea of the lesser Country gravitating towards the greater, must lead us to conclude, that this Island would rather gravitate towards the Continent of *Europe*, than towards the Continent of *America;* unless indeed we should add one Extravagance to another, by supposing that these *American* Heroes are to conquer all the World. And in that Case I do allow, that *England* must become a Province to *America*. But

Solamen miseris socios habuisse doloris.

Dismissing therefore this Idea, as an idle Dream, we come now lastly to consider the

FIFTH SCHEME.

Viz. To propose to separate entirely from the *North-American* Colonies, by declaring them to be a free and independent People, over whom we lay no Claim; and then by offering to guarantee this Freedom and Independence against all foreign Invaders whatever.

And, in fact, what is all this but the natural and even the necessary Corollary to be deduced from each of the former Reasons and Observations? For if we neither can govern the *Americans*, nor be governed by them; if we can neither unite with them, nor ought to subdue them;—what remains, but to part with them on as friendly Terms as we can? And if any Man should think that he can reason better from the above Premises, let him try.

But as the Idea of Separation, and the giving up the Colonies for ever will shock many weak People, who think, that there is neither Happiness nor Security but in an over-grown unwieldy Empire, I will for their Sakes enter into a Discussion of the *supposed* Disadvantages attending such a Disjunction; and then shall set forth the manifold Advantages.

The first and capital *supposed* Advantage is, *That, if we separate from the Colonies, we shall lose their Trade*. But why so? And how does this appear? The Colonies, we know by Experience, will trade with any People, even with their bitterest Enemies, during the hottest of a War, and a War undertaken at their own earnest Request, and for their own Sakes;—the Colonies, I say, will trade even with them, provided they shall find it their Interest so to do. Why then should any Man suppose, that the same Self-Interest will not induce them to trade with us? With us, I say, who are to commit no Hostilities against them, but on the contrary, are still to remain, if they please, their Guardians and Protectors?

Granting, therefore, that *North-America* was to become independent of us, and we of them, the Question now before us will turn on this single Point,—Can the Colonists, in a general Way, trade with any other *European* State to greater Advan-

tage than they can with *Great-Britain?* If they can, they certainly will; but if they cannot, we shall still retain their Custom, notwithstanding we have parted with every Claim of Authority and Jurisdiction over them. Now, the native Commodities and Merchandize of *North-America*, which are the most saleable at an *European* Market, are chiefly Lumber, Ships, Iron, Train-Oil, Flax-Seed, Skins, Furs, Pitch, Tar, Turpentine, Pearl-Ashes, Indigo, Tobacco, and Rice. And I do aver, that, excepting Rice and Tobacco, there is hardly one of these Articles, for which an *American* could get so good a Price any where else, as he can in *Great-Britain* and *Ireland*. Nay, I ought to have excepted only Rice; for as to Tobacco, tho' great Quantities of it are re-exported into *France*, yet it is well known, that the *French* might raise it at Home, if they would, much cheaper than they can import it from our Colonies. The Fact is this,—The Farm of Tobacco is one of the great five Farms, which make up the chief Part of the Royal Revenue; and therefore the Farmers General, for Bye-Ends of their own, have hitherto had Interest enough with the Court to prohibit the Cultivation of it in *Old France*, under the severest Penalties. But nevertheless the real *French* Patriots, and particularly the Marquis de *Mirabeau*, have fully demonstrated, that it is the Interest of the *French* Government to encourage the Cultivation of it; and have pointed out a sure and easy Method for collecting the Duties;—which was the sole Pretence of the Farmers General for soliciting a Prohibition. So that it is apprehended, that the *French* Government will at last open their Eyes in this Respect, and allow the Cultivation of it. Tobacco therefore being likely to be soon out of the Question, the only remaining Article is Rice: And this, it must be acknowledged, would bear a better Price at the *Hamburgh* or *Dutch* Markets than it generally doth in *England*. But as this is only one Article, out of many, it should be further considered, that even the Ships which import Rice into *England*, generally bring such other Produce as would not be saleable to Advantage in other Parts of *Europe:* So that there is no great Cause to fear, that we should *considerably* lose the Trade even of this Article, were the Colonies to be dismembered from us. Not to mention that all the Coasts of the *Mediterranean* and the South of *Europe* are already supplied with Rice from the Colonies, in the same Manner as if there had been an actual Separation;—no Rice-Ship bound to any Place South of *Cape-Finistere* being at all obliged to touch at any Port of *Great-Britain*. So much, therefore, as to the staple *Exports* of the Colonies.

Let us now consider their *Imports*. And here one Thing is very clear and certain, That whatever Goods, Merchandize, or Manufactures, the Merchants of *Great-Britain* can sell to the rest of *Europe*, they might sell the same to the Colonies, if wanted: Because it is evident, that the Colonies could not purchase such Goods at a cheaper Rate at any other *European* Market. Now, let any one cast his Eye over the Bills of Exports from *London*, *Bristol*, *Liverpool*, *Hull*, *Glasgow*, &c. &c. and then he will soon discover that excepting Gold and Silver Lace, Wines and Brandies, some Sorts of Silks and Linens, and perhaps a little Paper and Gun-powder; I say, excepting these few Articles, *Great-Britain* is become a Kind of a [2] general Mart for *most other* Commodities: And indeed were it not so, how is it conceivable, that so little a Spot as this Island could have made such a Figure either in Peace or War, as it hath lately done? How is it possible, that after having contracted a Debt of nearly One Hundred and Forty Millions, we should nevertheless be able to make more rapid Progresses in all Sorts of Improvements, useful and ornamental, public and private, agricolic and commercial, than any other nation ever did?—Fact it is, that these Improvements have been made of late Years, and are daily making: And Facts are stubborn Things.

But, says the Objector, you allow, that Gold and Silver Lace,—that Wines and Brandies,—some Sorts of Silks,—some Sorts of Paper, Gunpowder, and perhaps other Articles, can be purchased at certain *European* Markets on cheaper Terms than they can in *England:* And therefore it follows, that we should certainly lose these Branches of Commerce by a Separation, even supposing that we could retain the rest. Indeed even this doth not follow; because we have lost them already, as far as it was the Interest of the Colonies, that we should lose them. And if any Man can doubt of this, let him but consider, that the Lumber, and Provision-Vessels, which are continually running down from *Boston*, *Rhode-Island*, *New-York*, *Philadelphia*, *Charles-Town*, &c. &c. to *Martinico*, and the other *French* Islands, bring Home in return not only Sugars and Molasses, but also *French* Wines, Silks, Gold and Silver Lace, and in short every other Article, in which they can find a profitable Account: Moreover those Ships, which

[2] I am credibly informed, that it appears by Extracts from the Custom-house Books, that more *English* Goods are sent up the two Rivers of *Germany*, the *Weser* and the *Elbe*, than up any two Rivers in *North-America*. Yet the *North-Americans* and their Partisans are continually upbraiding us, as if we enjoyed no Trade, worth mentioning, except that with the Colonies.

sail to *Eustatia* and *Curacoa*, trade with the *Dutch*, and consequently with all the North of *Europe*, on the same Principle. And as the Ships which steer South of *Cape-Finistere*, what do they do?—Doubtless, they purchase whatever Commodities they find it their Interest to purchase, and carry them Home to *North-America*. Indeed what should hinder them from acting agreeably to their own Ideas of Advantage in these Respects? The Custom-house Officers, perhaps, you may say, will hinder them. But alas! the Custom-house Officers of *North-America*, if they were ten Times more numerous, and ten Times more uncorrupt than they are, could not possibly guard a tenth Part of the Coast. In short these Things are so very notorious that they cannot be disputed; and therefore, were the whole Trade of *North-America* to be divided into two Branches, *viz.* the *Voluntary*, resulting from a free Choice of the *Americans* themselves, pursuing their own Interest, and the *Involuntary*, in Consequence of *compulsory* Acts of the *British* Parliament;—this latter would appear so very small and inconsiderable, as hardly to deserve a Name in an Estimate of national Commerce.

The 2d Objection against giving up the Colonies is, that such a measure would greatly decrease our Shipping and Navigation, and consequently diminish the Breed of Sailors. But this Objection has been fully obviated already: For if we shall not lose our Trade, at least in any important Degree, even with the northern Colonies (and most probably we shall encrease it with other Countries) then it follows, that neither the Quantity of Shipping, nor the Breed of Sailors, can suffer any considerable Diminution: So that this Supposition is merely a Panic, and has no Foundation. Not to mention, that in Proportion as the *Americans* shall be obliged to exert themselves to defend their own Coasts, in Case of a War; in the same Proportion shall *Great-Britain* be exonerated from that Burden, and shall have more Ships and Men at command to protect her own Channel Trade, and for other Services.

The 3d Objection is, That if we were to give up these Colonies, the *French* would take immediate Possession of them. Now this Objection is entirely built on the following very wild, very extravagant, and absurd Suppositions.

1st, it supposes, that the Colonists themselves, who cannot brook our Government, would like a *French* one much better. *Great-Britain*, it seems, doth not grant them Liberty enough; and therefore they have Recourse to *France* to obtain more:—That is, in plain *English*, our mild and limited Government, where Prerogative is ascertained by Law, where every Man is at Liberty to seek for Redress, and where popular Clamours too often carry every Thing before them,—is nevertheless too severe, too oppressive, and too tyrannical for the Spirits and Genius of *Americans* to bear; and therefore they will apply to an arbitrary, despotic Government, where the People have no Share in the Legislature, where there is no Liberty of the Press, and where General Warrants and *Lettres des cachets* are *irresistible*,—in order to enjoy greater Freedoms than they have at present, and to be rescued from the intolerable Yoke, under which they now groan. What monstrous Absurdities are these! But even this is not all: For these *Americans* are represented by this Supposition, as not only preferring a *French* Government to a *British*, but even to a Government of their *own modelling and chusing!* For after they are set free from any Submission to their Mother-Country; after they are told, that for the future they must endeavour to please themselves, seeing we cannot please them; then, instead of attempting to frame any popular Governments for redressing those Evils, of which they now so bitterly complain,—they are represented as throwing themselves at once into the Arms of *France*;—the Republican Spirit is to subside; the Doctrine of passive Obedience and Non-resistance is to succeed; and, instead of setting up for Freedom and Independence, they are to glory in having the Honour of being numbered among the Slaves of the Grand Monarch!

But 2dly, this Matter may be further considered in another Point of View: For if it should be said, that the *Americans* might still retain their Republican Spirit, tho' they submitted to a *French* Government, because the *French*, through Policy, would permit them so to do; then it remains to be considered, whether any arbitrary Government can dispense with such Liberties as a republican Spirit will require. An absolute Freedom of the Press! No controul on the Liberty either of Speaking or Writing on Matters of State! Newspapers and Pamphlets filled with the bitterest Invectives against the Measures of Government! Associations formed in every Quarter to cry down Ministerial Hirelings, and their Dependents! The Votes and Resolutions of the Provincial Assemblies to assert their own Authority and Independence! No landing of Troops from *Old France* to quell Insurrections! No raising of new Levies in *America!* No quartering of Troops! No building of Forts, or erecting of Garrisons! And, to sum up all, no *raising of Money* without the express Consent and Approbation of the Provincial *American* Parliaments first obtained for each of these

Purposes!—Now I ask any reasonable Man whether these Things are compatible with any Idea of an arbitrary, despotic Government?—Nay more, whether the *French* King himself, or his Ministers, would wish to have such Notions as these instilled into the Subjects of *Old France?* Yet instilled they must be, while a Communication is kept open between the two Countries; while Correspondences are carried on; Letters, Pamphlets, and Newspapers, pass and re-pass; and in short, while the *Americans* are permitted to come into *France*, and *Frenchmen* into *America*. So much therefore as to this Class of Objections. Indeed I might have insisted further, that *Great-Britain* alone could at any Time prevent such an Acquisition to be made by *France*, as is here supposed, if she should think it necessary to interfere, and if such an Acquisition of Territory would really and truly be an Addition of Strength in the political Balance and Scale of Power.[3] But surely I have said enough; and therefore let us now hasten briefly to point out

The manifold Advantages attendant on such a Scheme.

And 1st, A Disjunction from the northern Colonies would effectually put a Stop to our present Emigrations. By the Laws of the Land it is made a capital Offence to inveigle Artificers and Mechanics to leave the Kingdom. But this Law is unhappily superseded at present as far as the Colonies are concerned. Therefore when they come to be dismembered from us, it will operate as strongly against them, and their *Kidnappers*, as against others. And here it may be worth while to observe, that the Emigrants, who lately sailed in such Multitudes from the North of *Scotland*, and more especially from the North of *Ireland*, were far from being the most indigent, or the least capable of subsisting in their own Country. No; it was not Poverty or Necessity which compelled, but Ambition which enticed them to forsake their native Soil. For after they began to taste the Sweets of Industry, and to partake of the Comforts of Life, then they became a valuable Prey for these Harpies. In short, such were the Persons to whom these Seducers principally applied; because they found that they had gotten some little Substance together worth devouring. They therefore told them many plausible Stories—that if they would emigrate to *North-America*, they might have Estates for nothing, and become Gentlemen for ever; whereas, if they remained at Home, they had nothing to expect beyond the Condition of a wretched Journeyman, or a small laborious Farmer. Nay, one of these false Guides was known to have put out public Advertisements, some few Years ago, in the North of *Ireland*, wherein he engaged to carry all, who would follow him, into such a glorious Country, where there was neither Tax, nor Tithe, nor Landlord's Rent to be paid. This was enough: It took with

[3] The Phaenomenon of that prodigious Increase of Trade, which this Country has experienced since the happy Revolution, is what few People can explain; and therefore they cut the Matter short, by ascribing it all to the Growth of our Colonies: But the true Principles and real Causes of that amazing Increase, are the following:

1. The Suppression of various Monopolies and exclusive Companies existing before, for foreign Trade.

2. The opening of Corporations, or the undermining of exclusive Privileges and Companies of Trade at Home; or, what comes to the same Thing, the eluding of their bad Effects by Means of legal Decisions in our Courts of Law. And N.B. The like Observation extends to the Case of evading the Penalties of the Act 5th of Queen *Elizabeth*, against exercising those Trades, to which Persons have not served regular Apprenticeships.

3. The Nursing up of new Trades and new Branches of Commerce by Means of Bounties, and national Premiums.

4. The giving of Drawbacks, or the Return of Duties on the Exportation of such Goods, as were to have paid a Duty, if used and consumed at Home.

5. The Repeal of Taxes formerly laid on raw Materials coming into the Kingdom. See 8 G. I. C. 15.

6. The Repeal of Taxes formerly laid on our own Manufactures, when exported. See ditto.

7. The Improvements in various Engines, with new Inventions and Discoveries for the Abridgment of Labour.

8. Better Communications established throughout the Kingdom by Means of Turnpike Roads and Canals, and the speedy Conveyance of Letters to every great Town and noted Place of Manufacture, by Means of Improvements in the Post-Office.

9. Happy Discoveries and Improvements in Agriculture and in the mechanic Arts.

10. Larger Capitals than usual employed both in Husbandry and Manufactures; also in the Importation and Exportation of Goods.

Now all these Things, co-operating together, would render any Country rich and flourishing, whether it had Colonies or not: And this Country in particular would have found the happy Effects of them to a much greater Degree than it now doth, were they not counter-acted by our Luxury, our Gambling, our frequent ruinous and expensive Wars, our Colony-Drains, and by the ill-gotten, and ill-spent Wealth, which was obtained by robbing, plundering, and starving the poor defenceless Natives of the *East-Indies*.—A Species of Villainy this, for which the *English* Language had not a Name, 'till it adopted the Word *Nabobing*.

Thousands: And this he might safely engage to do.—But at the same Time, he ought to have told them (as Bishop *Berkley* in his Queries justly observes) That a Man may possess twenty Miles square in this glorious Country, and yet not be able to get a Dinner.

2dly. Another great Advantage to be derived from a Separation is, that we shall then save between 3 and 400,000l. a Year, by being discharged from the Payment of any civil or military Establishment belonging to the Colonies:—For which generous Benefaction we receive at present no other Return than Invectives and Reproaches.

3dly. The ceasing of the Payment of Bounties on certain Colony Productions will be another great Saving; perhaps not less than 200,000l. a Year: And it is very remarkable, that the Goods imported from the Colonies in Consequence of these Bounties, could not have been imported into any other Part of *Europe*, were there a Liberty to do it; because the Freight and first Cost would have amounted to more than they could be sold for: So that in Fact we give Premiums to the Colonies for selling Goods to us, which would not have been sold at all any where else. However, when the present Bounties shall cease, we may then consider, at our Leisure, whether it would be right to give them again, or not; and we shall have it totally in our Power to favour that Country most, which will show the greatest Favour to us, and to our Manufactures.

4thly. When we are no longer connected with the Colonies by the imaginary Tie of an Identity of Government, then our Merchant-Exporters and Manufacturers will have a better Chance of having their Debts paid, than they have at present: For as Matters now stand, the Colonists chuse to carry their ready Cash to other Nations, while they are contracting Debts with their Mother-Country; with whom they think they can take greater Liberties: And provided they are trusted, they care not to what Amount this Debt shall rise:—For when the Time for Payment draws on, they are seized with a Fit of Patriotism; and then Confederacies and Associations are to discharge all Arrears; or, at least, are to postpone the Payment of them *sine die*.

5thly. After a Separation from the Colonies, our Influence over them will be much greater than ever it was, since they began to feel their own Weight and Importance: For at present we are looked upon in no better a Light than that of Robbers and Usurpers; whereas, we shall then be considered as their Protectors, Mediators, Benefactors. The Moment a Separation takes Effect, intestine Quarrels will begin: For it is well known, that the Seeds of Discord and Dissention between Province and Province are now ready to shoot forth; and that they are only kept down by the present Combination of all the Colonies against us, whom they unhappily fancy to be their *common Enemy*. When therefore this Object of their Hatred shall be removed by a Declaration on our Parts, that, so far from usurping all Authority, we, from henceforward, will assume none at all against their own Consent; the weaker Provinces will intreat our Protection against the stronger; and the less cautious against the more crafty and designing: So that in short, in Proportion as their factious, republican Spirit shall intrigue and cabal, shall split into Parties, divide, and sub-divide,—in the same Proportion shall we be called in to become their general Umpires and Referees. Not to mention, that many of the late and present Emigrants, when they shall see these Storms arising all around them, and when their promised earthly Paradise turns out to be a dreary, unwholesome, inhospitable, and howling Wilderness,—many of them, I say, will probably return to us again, and take Refuge at last in *Old England*, with all its Faults and Imperfections.

Lastly. Our *West-India* Islands themselves will receive signal Benefit by this Separation. Indeed their Size and Situation render them incapable of substracting all Obedience from us; and yet the bad Precedents of their Neighbours on the Continent hath sometimes prompted them to shew as refractory a Spirit as they well could.—But when they come to perceive, what are the bitter Effects of this untractable Disposition, exemplified in the Case of the *North-Americans*, it is probable, it is reasonable to conclude, that they will learn Wisdom by the Miscarriages and Sufferings of these unhappy People; and that from henceforward they will revere the Authority of a Government, which has the fewest Faults, and grants the greatest Liberty, of any yet known upon Earth.

But after all, there is one Thing more, to which I must make some Reply.—many, perhaps most of my Readers, will be apt to ask,—What is all this about? And what doth this Author really mean?—Can he seriously think, that because he hath taken such Pains to prove a Separation to be a right Measure, that therefore we shall separate in good Earnest? And is he still so much a Novice as not to know, that Measures are rarely adopted merely because they are right, but because they can serve a present Turn?—Therefore let it be asked, What present Convenience or Advantage doth he propose either to Administration, or to Anti-Administration, by the Execution of his

Plan?—This is coming to the Point, and without it, all that he has said will pass for nothing.

I frankly acknowledge, I propose no *present* Convenience or Advantage to either; nay, I firmly believe, that no Minister, as Things are now circumstanced, will dare to do so much Good to his Country; and as to the Herd of Anti-Ministers, they, I am persuaded, would not wish to see it done; because it would deprive them of one of their most plentiful Sources for Clamour and Detraction: And yet I have observed, and have myself had some Experience, that Measures evidently right will prevail at last: Therefore I make not the least Doubt but that a Separation from the northern Colonies, and also another right Measure, *viz.* a *complete Union* and *Incorporation* with *Ireland* (however unpopular either of them may now appear) will both take Place within half a Century:—And perhaps that which happens to be first accomplished, will greatly accelerate the Accomplishment of the other. Indeed almost all People are apt to startle at first at bold Truths:—But it is observable, that in Proportion as they grow familiarized to them, and can see and consider them from different Points of View, their Fears subside, and they become reconciled by Degrees:—Nay, it is not an uncommon Thing for them to adopt those salutary Measures afterwards with as much Zeal and Ardor as they had rejected them before with Anger and Indignation.

Need I add, That the Man, who will have Resolution enough to advance any bold unwelcome Truth (unwelcome I mean at its first Appearance) ought to be such an one, whose Competency of Fortune, joined to a natural Independency of Spirit, places him in that happy Situation, as to be equally indifferent to the Smiles, or Frowns either of the Great, or the Vulgar?

Lastly, some Persons perhaps may wonder, that, being myself a Clergyman, I have said nothing about the Persecution which the Church of *England* daily suffers in *America*, by being denied those Rights which every other Sect of Christians so amply enjoys. I own I have hitherto omitted to make Mention of that Circumstance, not thro' Inadvertence, but by Design; as being unwilling to embarrass my general Plan with what might be deemed by some Readers to be foreign to the Subject: And therefore I shall be very short in what I have to add at present.

That each Religious Persuasion ought to have a full Toleration from the State to worship Almighty God, according to the Dictates of their own Consciences, is to me so clear a Case, that I shall not attempt to make it clearer; and nothing but the maintaining some monstrous Opinion inconsistent with the Safety of Society,—and that not barely in Theory and Speculation, but by *open* Practice and *outward* Actions,—I say, nothing but the *avowedly* maintaining of such *dangerous* Principles can justify the Magistrate in abridging any Set of Men of these their natural Rights. It is also equally evident, that the Church of *England* doth not, cannot fall under the Censure of holding Opinions inconsistent with the Safety of the State, and the Good of Mankind,—even her Enemies themselves being Judges: And yet the Church of *England* alone doth not enjoy a Toleration in that full Extent, which is granted to the Members of every other Denomination. What then can be the Cause of putting so injurious a Distinction between the Church of *England*, and other Churches in this respect? The Reason is plain. The *Americans* have taken it into their Heads to believe, that an Episcopate would operate as some further Tie upon them, not to break loose from those Obligations which they owe to the Mother-Country; and that this is to be used as an Engine, under the Masque of Religion, to rivet those Chains, which they imagine we are forging for them. Let therefore the Mother-Country herself resign up all Claim of Authority over them, as well Ecclesiastical as Civil; let her declare *North-America* to be independent of *Great-Britain* in every Respect whatever;—let her do this, I say, and then all their Fears will vanish away, and their Panics be at an End: And then, a Bishop, who has no more Connections with *England* either in Church or State, than he has with *Germany*, *Sweden* or any other Country, will be no longer looked upon in *America* as a Monster, but a Man. In short, when all Motives for Opposition will be at an End, it is observable, that the Opposition itself soon ceases and dies away. In a Word, an Episcopate may then take Place; and whether this new Ecclesiastical Officer be called from a Name derived from the *Greek*, the *Latin*, or the *German*,—that is, whether he be stiled Episcopus, Superintendent, Supervisor, Overseer, &. &*c*. it matters not,—provided he be invested with competent Authority to ordain and confirm such of the Members of his own Persuasion, as shall voluntarily offer themselves, and to inspect the Lives and Morals of his own Clergy.

THE STAMP ACT

CONFRONTED with the need for additional revenue after peace had been concluded in 1763, Parliament decided to collect taxes in the colonies by means of stamps affixed to legal papers, playing cards, newspapers and other documents necessary to colonial business or pleasure. The tax was to be paid in specie and applied to the expenses of royal government in the continental colonies. Colonial opposition to the law was so immediate, vocal, and violent that Parliament held hearings on its execution in February, 1766. Among the witnesses called was Benjamin Franklin and it is not improbable that he used the committee as a sounding board, for certain of its members were sufficiently friendly to the colonial viewpoint to ask convenient questions. Whether deliberate or not, however, the testimony does show how the two segments of empire were drawing apart; words no longer had the same meaning on both shores of the Atlantic.

The selection that follows is from a verbatim account of Franklin's examination by the House of Commons sitting as a Committee of the Whole on a bill to repeal the Stamp Act. It was printed in *A Collection of Scarce and Interesting Tracts Written by Persons of Eminence upon the Most Important Political and Commercial Subjects* (4 vols., London, 1787).

Examination of Dr. Franklin

Q. What is your name, and place of abode?—A. Franklin, of Philadelphia.

Q. Do the Americans pay any considerable taxes among themselves?—A. Certainly many, and very heavy taxes.

Q. What are the present taxes in Pennsylvania, laid by the laws of the colony?—A. There are taxes on all estates real and personal, a poll-tax, a tax on all offices, professions, trades and businesses, according to their profits; an excise on all wine, rum, and other spirits; and a duty of ten pounds per head on all negroes imported, with some other duties.

Q. For what purposes are those taxes laid?—A. For the support of the civil and military establishments of the country, and to discharge the heavy debt contracted in the last war.

Q. How long are those taxes to continue?—A. Those for discharging the debt are to continue till 1772, and longer, if the debt should not be then all discharged. The others must always continue.

Q. Was it not expected that the debt would have been sooner discharged?—A. It was, when the peace was made with France and Spain—But a fresh war breaking out with the Indians, a fresh load of debt was incurred, and the taxes, of course, continued longer by a new law.

Q. Are not all the people very able to pay those taxes?—A. No. The frontier counties, all along the continent, having been frequently ravaged by the enemy, and greatly impoverished, are able to pay very little tax. And therefore, in consideration of their distresses, our late tax laws do expressly favour those counties, excusing the sufferers; and I suppose the same is done in other governments. . . .

Q. Are not the colonies, from their circumstances, very able to pay the stamp duty?—A. In my opinion, there is not gold or silver enough in the colonies to pay the stamp duty for one year.

Q. Don't you know that the money arising from the stamps was all to be laid out in America?—A. I know it is appropriated by the act to the American service; but it will be spent in the conquered colonies, where the soldiers are, not in the colonies that pay it.

Q. Is there not a balance of trade due from the colonies where the troops are posted, that will bring back the money to the old colonies?—A. I think not. I believe very little would come back. I know of no trade likely to bring it back. I think it would come from the colonies where it was spent directly to England; for I have always observed, that in every colony the more plenty of means of remittance to England, the more goods are sent for, and the more trade with England carried on. . . .

Q. How many white men do you suppose there are in North-America?—A. About 300,000, from sixteen to sixty years of age.

Q. What may be the amount of one year's imports into Pennsylvania from Britain?—A. I have

been informed that our merchants compute the imports from Britain to be above 500,000l.

Q. What may be the amount of the produce of your province exported to Britain?—A. It must be small, as we produce little that is wanted in Britain. I suppose it cannot exceed 40,000l.

Q. How then do you pay the balance?—A. The balance is paid by our produce carried to the West-Indies, and sold in our own islands, or to the French, Spaniards, Danes and Dutch; by the same carried to other colonies in North-America, as to New-England, Nova-Scotia, Newfoundland, Carolina and Georgia; by the same carried to different parts of Europe, as Spain, Portugal and Italy. In all which places we receive either money, bills of exchange, or commodities that suit for remittance to Britain; which, together with all the profits on the industry of our merchants and mariners, arising in those circuitous voyages, and the freights made by their ships, centre finally in Britain to discharge the balance, and pay for British manufactures continually used in the province, or sold to foreigners by our traders.

Q. Have you heard of any difficulties lately laid on the Spanish trade?—A. Yes, I have heard that it has been greatly obstructed by some new regulations, and by the English men of war and cutters stationed all along the coast in America.

Q. Do you think it right, that America should be protected by this country, and pay no part of the expence?—A. That is not the case. The colonies raised, cloathed and paid, during the last war, near 25,000 men, and spent many millions.

Q. Were you not reimbursed by parliament?—A. We were only reimbursed what, in your opinion, we had advanced beyond our proportion, or beyond what might reasonably be expected from us; and it was a very small part of what we spent. Pennsylvania, in particular, disbursed about 500,000l. and the reimbursements, in the whole, did not exceed 60,000l.

Q. You have said that you pay heavy taxes in Pennsylvania; what do they amount to in the pound?—A. The tax on all estates, real and personal, is 1s. 6d. in the pound, fully rated; and the tax on the profits of trades and professions, with other taxes, do, I suppose, make full 2s. 6d. in the pound.

Q. Do you know any thing of the rate of exchange in Pennsylvania, and whether it has fallen lately?—A. It is commonly from 170 to 175. I have heard that it has fallen lately from 175 to 162 and a half, owing, I suppose, to their lessening their orders for goods; and when their debts to this country are paid, I think the exchange will probably be at par.

Q. Do not you think the people of America would submit to pay the stamp-duty, if it was moderated?—A. No, never, unless compelled by force of arms.

Q. Are not the taxes in Pennsylvania laid on unequally, in order to burden the English trade, particularly the tax on professions and business?—A. It is not more burthensome in proportion than the tax on lands. It is intended, and supposed to take an equal proportion of profits.

Q. How is the assembly composed? Of what kinds of people are the members, landholders or traders?—A. It is composed of landholders, merchants and artificers.

Q. Are not the majority landholders?—A. I believe they are.

Q. Do not they, as much as possible, shift the tax off from the land, to ease that, and lay the burthen heavier on trade?—A. I have never understood it so. I never heard such a thing suggested. And indeed an attempt of that kind could answer no purpose. The merchant or trader is always skilled in figures, and ready with his pen and ink. If unequal burthens are laid on his trade, he puts an additional price on his goods; and the consumers, who are chiefly landholders, finally pay the greatest part, if not the whole.

Q. What was the temper of America towards Great-Britain before the year 1763?—A. The best in the world. They submitted willingly to the government of the crown, and paid, in all their courts, obedience to acts of parliament. Numerous as the people are in the several old provinces, they cost you nothing in forts, citadels, garrisons or armies, to keep them in subjection. They were governed by this country at the expence only of a little pen, ink and paper. They were led by a thread. They had not only a respect, but an affection for Great-Britain, for its laws, its customs and manners, and even a fondness for its fashions, that greatly increased the commerce. Natives of Britain were always treated with particular regard; to be an Old-England-man was, of itself, a character of some respect, and gave a kind of rank among us.

Q. And what is their temper now?—A. O, very much altered.

Q. Did you ever hear the authority of parliament to make laws for America questioned till lately?—A. The authority of parliament was allowed to be valid in all laws, except such as should lay internal taxes. It was never disputed in laying duties to regulate commerce.

Q. In what proportion hath population increased in America?—A. I think the inhabitants of all the provinces together, taken at a medium,

double in about twenty-five years. But their demand for British manufactures increases much faster, as the consumption is not merely in proportion to their numbers, but grows with the growing abilities of the same numbers to pay for them. In 1723, the whole importation from Britain to Pennsylvania, was but about 15,000l. sterling; it is now near half a million. . . .

Q. What do you think is the reason that the people of America increase faster than in England?—A. Because they marry younger, and more generally.

Q. Why so?—A. Because any young couple that are industrious, may easily obtain land of their own, on which they can raise a family.

Q. Are not the lower rank of people more at their ease in America than in England?—A. They may be so, if they are sober and diligent, as they are better paid for their labour.

Q. What is your opinion of a future tax, imposed on the same principle with that of the stamp-act; how would the Americans receive it? —A. Just as they do this. They would not pay it.

Q. Have you not heard of the resolutions of this house, and of the house of lords, asserting the right of parliament relating to America, including a power to tax the people there?—A. Yes, I have heard of such resolutions.

Q. What will be the opinion of the Americans on those resolutions?—A. They will think them unconstitutional and unjust.

Q. Was it an opinion in America before 1763, that the parliament had no right to lay taxes and duties there?—A. I never heard any objection to the right of laying duties to regulate commerce; but a right to lay internal taxes was never supposed to be in parliament, as we are not represented there.

Q. On what do you found your opinion, that the people in America made any such distinction?—A. I know that whenever the subject has occurred in conversation where I have been present, it has appeared to be the opinion of every one, that we could not be taxed in a parliament where we were not represented. But the payment of duties laid by act of parliament, as regulations of commerce, was never disputed.

Q. But can you name any act of assembly, or public act of any of your governments, that made such distinction?—A. I do not know that there was any; I think there was never an occasion to make any such act, till now that you have attempted to tax us; that has occasioned resolutions of assembly, declaring the distinction, in which I think every assembly on the continent, and every member in every assembly, have been unanimous.

Q. What then could occasion conversations on that subject before that time?—A. There was in 1754, a proposition made (I think it came from hence) that in case of a war, which was then apprehended, the governors of the colonies should meet, and order the levying of troops, building of forts, and taking every other necessary measure for the general defence; and should draw on the treasury here for the sums expended, which were afterwards to be raised in the colonies by a general tax, to be laid on them by act of parliament. This occasioned a good deal of conversation on the subject, and the general opinion was, that the parliament neither would, nor could lay any tax on us, till we were duly represented in parliament, because it was not just, nor agreeable to the nature of an English constitution.

Q. Don't you know there was a time in New-York, when it was under consideration to make an application to parliament to lay taxes on that colony, upon a deficiency arising from the assembly's refusing or neglecting to raise the necessary supplies for the support of the civil government? —A. I never heard of it.

Q. There was such an application under consideration in New-York; and do you apprehend they could suppose the right of parliament to lay a tax in America was only local, and confined to the case of a deficiency in a particular colony, by a refusal of its assembly to raise the necessary supplies?—A. They could not suppose such a case, as that the assembly would not raise the necessary supplies to support its own government. An assembly that would refuse it must want common sense, which cannot be supposed. I think there was never any such case at New-York, and that it must be a misrepresentation, or the fact must be misunderstood. I know there have been some attempts, by ministerial instructions from hence, to oblige the assemblies to settle permanent salaries on governors, which they wisely refused to do; but I believe no assembly of New-York or any other colony, ever refused duly to support government by proper allowances, from time to time, to public officers.

Q. But in case a governor, acting by instruction, should call on an assembly to raise the necessary supplies, and the assembly should refuse to do it, do you not think it would then be for the good of the people of the colony, as well as necessary to government, that the parliament should tax them? —A. I do not think it would be necessary. If an assembly could possibly be so absurd as to refuse raising the supplies requisite for the maintenance of government among them, they could not long remain in such a situation; the disorders and con-

fusion occasioned by it, must soon bring them to reason.

Q. If it should not, ought not the right to be in Great-Britain of applying a remedy?—A. A right only to be used in such a case, I should have no objection to, supposing it to be used merely for the good of the people of the colony.

Q. But who is to judge of that, Britain or the colony?—A. Those that feel can best judge.

Q. You say the colonies have always submitted to external taxes, and object to the right of parliament only in laying internal taxes; now can you shew that there is any kind of difference between the two taxes to the colony on which they may be laid?—A. I think the difference is very great. An external tax is a duty laid on commodities imported; that duty is added to the first cost, and other charges on the commodity, and when it is offered to sale, makes a part of the price. If the people do not like it at that price, they refuse it; they are not obliged to pay it. But an internal tax is forced from the people without their consent, if not laid by their own representatives. The stamp-act says, we shall have no commerce, make no exchange of property with each other, neither purchase nor grant, nor recover debts; we shall neither marry nor make our wills, unless we pay such sums, and thus it is intended to extort our money from us, or ruin us by the consequences of refusing to pay it.

Q. But supposing the internal tax or duty to be laid on the necessaries of life imported into your colony, will not that be the same thing in its effects as an internal tax?—A. I do not know a single article imported into the northern colonies, but what they can either do without, or make themselves.

Q. Don't you think cloth from England absolutely necessary to them?—A. No, by no means absolutely necessary; with industry and good management, they may very well supply themselves with all they want.

Q. Will it not take a long time to establish that manufacture among them; and must they not in the mean while suffer greatly?—A. I think not. They have made a surprizing progress already. And I am of opinion, that before their old clothes are worn out, they will have new ones of their own making.

Q. Can they possibly find wool enough in North-America?—A. They have taken steps to increase the wool. They entered into general combinations to eat no more lamb, and very few lambs were killed last year. This course persisted in, will soon make a prodigious difference in the quantity of wool. And the establishing of great manufactories, like those in the clothing towns here, is not necessary, as it is where the business is to be carried on for the purposes of trade. The people will all spin, and work for themselves, in their own houses.

Q. Can there be wool and manufacture enough in one or two years?—A. In three years I think there may.

Q. Does not the severity of the winter, in the northern colonies, occasion the wool to be of bad quality?—A. No; the wool is very fine and good.

Q. In the more southern colonies, as in Virginia, don't you know that the wool is coarse, and only a kind of hair?—A. I don't know it. I never heard it. Yet I have been sometimes in Virginia. I cannot say I ever took particular notice of the wool there, but I believe it is good, though I cannot speak positively of it; but Virginia, and the colonies south of it, have less occasion for wool; their winters are short, and not very severe, and they can very well clothe themselves with linen and cotton of their own raising for the rest of the year.

Q. Are not the people in the more northern colonies obliged to fodder their sheep all the winter?—A. In some of the most northern colonies they may be obliged to do it some part of the winter. . . .

Q. Do you remember the abolishing of the paper currency in New-England, by act of assembly?—A. I do remember its being abolished in the Massachusett's Bay.

Q. Was not Lieutenant-Governor Hutchinson principally concerned in that transaction?—A. I have heard so.

Q. Was it not at that time a very unpopular law?—A. I believe it might, though I can say little about it, as I lived at a distance from that province.

Q. Was not the scarcity of gold and silver an argument used against abolishing the paper?—A. I suppose it was.

Q. Have not instructions from hence been sometimes sent over to governors, highly oppressive and unpolitical?—A. Yes.

Q. Have not some governors dispensed with them for that reason?—A. Yes; I have heard so.

Q. Did the Americans ever dispute the controuling power of parliament to regulate the commerce?—A. No.

Q. Can any thing less than a military force carry the stamp-act into execution?—A. I do not see how a military force can be applied to that purpose.

Q. Why may it not?—A. Suppose a military force sent into America, they will find nobody in arms; what are they then to do? They cannot

force a man to take stamps who chuses to do without them. They will not find a rebellion; they may indeed make one.

Q. If the act is not repealed, what do you think will be the consequences?—A. A total loss of the respect and affection the people of America bear to this country, and of all the commerce that depends on that respect and affection.

Q. How can the commerce be affected?—A. You will find, that if the act is not repealed, they will take very little of your mannfactures in a short time.

Q. Is it in their power to do without them?—A. I think they may very well do without them.

Q. Is it their interest not to take them?—A. The goods they take from Britain are either necessaries, mere conveniencies, or superfluities. The first, as cloth, &c. with a little industry, they can make at home; they second they can do without, till they are able to provide them among themselves; and the last, which are much the greatest part, they will strike off immediately. They are mere articles of fashion, purchased and consumed, because the fashion in a respected country, but will now be detested and rejected. The people have already struck off, by general agreement, the use of all goods fashionable in mournings, and many thousand pounds worth are sent back as unsaleable.

Q. Is it their interest to make cloth at home?—A. I think they may at present get it cheaper from Britain, I mean of the same fineness and neatness of workmanship; but when one considers other circumstances, the restraints on their trade, and the difficulty of making remittances, it is their interest to make every thing. . . .

Q. Supposing the stamp-act continued, and enforced, do you imagine that ill-humour will induce the Americans to give as much for worse manufactures of their own, and use them, preferably to better of ours?—A. Yes, I think so. People will pay as freely to gratify one passion as another, their resentment as their pride.

Q. Would the people at Boston discontinue their trade?—A. The merchants are a very small number, compared with the body of the people, and must discontinue their trade, if nobody will buy their goods.

Q. What are the body of the people in the colonies?—A. They are farmers, husbandmen, or planters.

Q. Would they suffer the produce of their lands to rot?—A. No; but they would not raise so much. They would manufacture more, and plough less.

Q. Would they live without the administration of justice in civil matters, and suffer all the inconveniencies of such a situation, for any considerable time, rather than take the stamps, supposing the stamps were protected by a sufficient force, where every one might have them?—A. I think the supposition impracticable, that the stamps should be so protected as that every one might have them. The act requires sub-distributors to be appointed in every county, town, district, and village, and they would be necessary. But the principal distributors, who were to have had a considerable profit on the whole, have not thought it worth while to continue in the office, and I think it impossible to find sub-distributors fit to be trusted, who, for the trifling profit that must come to their share, would incur the odium, and run the hazard that would attend it; and if they could be found, I think it impracticable to protect the stamps in so many distant and remote places.

Q. But in places where they could be protected, would not the people use them rather than remain in such a situation, unable to obtain any right, or recover, by law, any debt?—A. It is hard to say what they would do. I can only judge what other people will think, and how they will act, by what I feel within myself. I have a great many debts due to me in America, and I had rather they should remain unrecoverable by any law, than submit to the stamp-act. They will be debts of honour. It is my opinion the people will either continue in that situation, or find some way to extricate themselves, perhaps by generally agreeing to proceed in the courts without stamps. . . .

Q. How many ships are there laden annually in North-America with flax-seed for Ireland?—A. I cannot speak to the number of ships, but I know that in 1752, 10,000 hogsheads of flax-seed, each containing seven bushels, were exported from Philadelphia to Ireland. I suppose the quantity is greatly encreased since that time; and it is understood that the exportation from New-York is equal to that from Philadelphia.

Q. What becomes of the flax that grows with that flax-seed?—A. They manufacture some into coarse, and some into a middling kind of linen.

Q. Are there any slitting-mills in America?—A. I think there are three, but I believe only one at present employed. I suppose they will all be set to work, if the interruption of the trade continues.

Q. Are there any fulling-mills there?—A great many.

Q. Did you never hear that a great quantity of stockings were contracted for, for the army, during the war, and manufactured in Philadelphia?—A. I have heard so. . . .

Q. But suppose Great-Britain should be engaged in a war in Europe, would North-America

contribute to the support of it?—A. I do think they would, as far as their circumstances would permit. They consider themselves as a part of the British empire, and as having one common interest with it; they may be looked on here as foreigners, but they do not consider themselves as such. They are zealous for the honour and prosperity of this nation, and, while they are well used, will always be ready to support it, as far as their little power goes. In 1739 they were called upon to assist in the expedition against Carthagena, and they sent 3000 men to join your army. It is true Carthagena is in America, but as remote from the northern colonies as if it had been in Europe. They make no distinction of wars, as to their duty of assisting in them. I know the last war is commonly spoke of here as entered into for the defence, or for the sake of the people of America. I think it is quite misunderstood. It began about the limits between Canada and Nova-Scotia, about territories to which the crown indeed laid claim, but were not claimed by any British colony; none of the lands had been granted to any colonist; we had therefore no particular concern or interest in that dispute. As to the Ohio, the contest there began about your right of trading in the Indian country, a right you had by the treaty of Utrecht, which the French infringed; they seized the traders and their goods, which were your manufactures; they took a fort which a company of your merchants, and their factors and correspondents, had erected there, to secure that trade. Braddock was sent with an army to re-take that fort (which was looked on here as another encroachment on the king's territory) and to protect your trade. It was not till after his defeat that the colonies were attacked. They were before in perfect peace with both French and Indians; the troops were not therefore sent for their defence. The trade with the Indians, though carried on in America, is not an American interest. The people of America are chiefly farmers and planters; scarce any thing they raise or produce is an article of commerce with the Indians. The Indian trade is a British interest; it is carried on with British manufactures, for the profit of British merchants and manufacturers; therefore the war, as it commenced for the defence of territories of the crown, the property of no American, and for the defence of a trade purely British, was really a British war—and yet the people of America made no scruple of contributing their utmost towards carrying it on, and bringing it to a happy conclusion.

Q. Do you think then that the taking possession of the king's territorial rights, and strengthening the frontiers, is not an American interest?—A. Not particularly, but conjointly a British and an American interest.

Q. You will not deny that the preceding war, the war with Spain, was entered into for the sake of America; was it not occasioned by captures made in the American seas?—A. Yes; captures of ships carrying on the British trade there, with British manufactures.

Q. Was not the late war with the Indians, since the peace with France, a war for America only?—Yes; it was more particularly for America than the former; but it was rather a consequence or remains of the former war, the Indians not having been thoroughly pacified, and the Americans bore by much the greatest share of the expence. It was put an end to by the army under General Bouquet; there were not above 300 regulars in that army, and above 1000 Pennsylvanians.

Q. Is it not necesary to send troops to America, to defend the Americans against the Indians?—A. No, by no means; it never was necessary. They defended themselves when they were but a handful, and the Indians much more numerous. They continually gained ground, and have driven the Indians over the mountains, without any troops sent to their assistance from this country And can it be thought necessary now to send troops for their defence from those diminished Indian tribes, when the colonies are become so populous, and so strong? There is not the least occasion for it; they are very able to defend themselves.

Q. Do you say there were no more than 300 regular troops employed in the late Indian war?—A. Not on the Ohio or the frontiers of Pennsylvania, which was the chief part of the war that affected the colonies. There were garrisons at Niagara, Fort Detroit, and those remote posts kept for the sake of your trade; I did not reckon them, but I believe that on the whole the number of Americans, or provincial troops, employed in the war, was greater than that of the regulars. I am not certain, but I think so.

Q. Do you think the assemblies have a right to levy money on the subject there, to grant to the crown?—A. I certainly think so; they have always done it.

Q. Are they acquainted with the declaration of rights? And do they know that by that statute, money is not to be raised on the subject but by consent of parliament?—A. They are very well acquainted with it.

Q. How then can they think they have a right to levy money for the crown, or for any other than local purposes?—A. They understand that clause to relate to subjects only within the realm; that no money can be levied on them for the

crown, but by consent of parliament. The colonies are not supposed to be within the realm; they have assemblies of their own, which are their parliaments, and they are, in that respect, in the same situation with Ireland. When money is to be raised for the crown upon the subject in Ireland, or in the colonies, the consent is given in the parliament of Ireland, or in the assemblies of the colonies. They think the parliament of Great Britain cannot properly give that consent till it has representatives from America; for the petition of right expressly says, it is to be by common consent in parliament, and the people of America have no representatives in parliament, to make a part of that comon consent. . . .

Q. Would the repeal of the stamp-act be any discouragement of your manufactures? Will the people that have begun to manufacture decline it? —A. Yes, I think they will; especially if, at the same time, the trade is opened again, so that remittances can be easily made. I have known several instances that make it probable. In the war before last, tobacco being low, and making little remittance, the people of Virginia went generally into family manufactures. Afterwards, when tobacco bore a better price, they returned to the use of British manufactures. So fulling-mills were very much disused in the last war in Pennsylvania, because bills were then plenty and remittances could easily be made to Britain for English cloth and other goods.

Q. If the stamp-act should be repealed, would it induce the assemblies of America to acknowledge the right of parliament to tax them, and would they erase their resolutions?—A. No, never.

Q. Is there no means of obliging them to erase those resolutions?—A. None that I know of; they will never do it, unless compelled by force of arms.

Q. Is there a power on earth that can force them to erase them?—A. No power, how great soever, can force men to change their opinions. . . .

Q. Would it be most for the interest of Great-Britain, to employ the hands of Virginia in tobacco, or in manufactures?—A. In tobacco, to be sure.

Q. What used to be the pride of the Americans? —A. To indulge in the fashions and manufactures of Great-Britain.

Q. What is now their pride?—A. To wear their old clothes over again, till they can make new ones.

THE AMERICAN REVOLUTION

If it was Franklin who presented America's case to England and France, it was Thomas Paine (1737–1809) who presented America's case to herself. He came to America in 1774, a failure at all the trades he had tried. In Philadelphia, he took to the pen and found himself moderately successful as a writer. Then, in the winter of 1775, at the suggestion of Benjamin Rush, Paine wrote *Common Sense* and became one of the masters of Whig propaganda. With harsh simplicity, Paine said what many men had been thinking and what many more were unwilling to confess they believed. There was no originality in his reasoning or his argument: Dean Tucker's comment on the relative importance of island and continent had gone all but unnoticed in 1766; ten years later, Paine made that seem obvious truth to American Whigs.

Paine's eloquence swept through the country. And after moderate men had had their say—after Parliament had refused to hear even the memorial of the New York Provincial Assembly and the King had declared the continental colonies out of his protection—then Paine found no credible reason against an immediate separation between colonies and motherland.

In June, 1776, Congress passed Richard Henry Lee's resolution for a declaration of independence.

By December, that cause seemed defeated. New York was lost; Fort Washington had fallen and a sizable force had been captured with it; New Jersey was largely in enemy hands and Philadelphia was threatened. The United States was to know darker times; but the men living in that December found its troubles almost too hard to endure. Legend has Paine writing the first number of *The Crisis* with a drumhead for desk and the flicker of a wintry campfire for light. That legend has the

usual validity, but the emotion informing the pamphlet makes the tale sound almost probable. Even more important than the heartening effect of Paine's rhetoric was his suggestion that Tory property be confiscated as a base for the Continental currency. In later numbers of *The Crisis*, Paine continued to argue for independence, for the exaction of oaths to the new government and, finally, when the fighting was over, for the continuance of union among the American states.

The selections from *Common Sense* and *The Crisis* here reprinted are from *The Writings of Thomas Paine* (4 vols., New York, 1894).

Appendix to COMMON SENSE

BY THOMAS PAINE

SINCE the publication of the first edition of this pamphlet, or rather, on the same day on which it came out, the King's Speech made its appearance in this city [Philadelphia]. Had the spirit of prophecy directed the birth of this production, it could not have brought it forth at a more seasonable juncture, or at a more necessary time. The bloody-mindedness of the one, shows the necessity of pursuing the doctrine of the other. Men read by way of revenge. And the Speech, instead of terrifying, prepared a way for the manly principles of Independance.

Ceremony, and even silence, from whatever motives they may arise, have a hurtful tendency when they give the least degree of countenance to base and wicked performances; wherefore, if this maxim be admitted, it naturally follows, that the King's Speech, as being a piece of finished villany, deserved and still deserves, a general execration, both by the Congress and the people. Yet, as the domestic tranquillity of a nation, depends greatly on the *chastity* of what might properly be called NATIONAL MANNERS, it is often better to pass some things over in silent disdain, than to make use of such new methods of dislike, as might introduce the least innovation on that guardian of our peace and safety. And, perhaps, it is chiefly owing to this prudent delicacy, that the King's Speech hath not before now suffered a public execution. The Speech, if it may be called one, is nothing better than a wilful audacious libel against the truth, the common good, and the existence of mankind; and is a formal and pompous method of offering up human sacrifices to the pride of tyrants. But this general massacre of mankind, is one of the privileges and the certain consequences of Kings; for as nature knows them *not*, they know *not her*, and although they are beings of our *own* creating, they know not *us*, and are become the Gods of their creators. The speech hath one good quality, which is, that it is not calculated to deceive, neither can we, even if we would, be deceived by it. Brutality and tyranny appear on the face of it. It leaves us at no loss: And every line convinces, even in the moment of reading, that he who hunts the woods for prey, the naked and untutored Indian, is less Savage than the King of Britain.

Sir John Dalrymple, the putative father of a whining jesuitical piece, fallaciously called, "*The address of the people of* England *to the inhabitants of* America," hath perhaps from a vain supposition that the people *here* were to be frightened at the pomp and description of a king, given (though very unwisely on his part) the real character of the present one: "But," says this writer, "if you are inclined to pay compliments to an administration, which we do not complain of (meaning the Marquis of Rockingham's at the repeal of the Stamp Act) it is very unfair in you to withhold them from that prince, *by whose* NOD ALONE *they were permitted to do any thing.*" This is toryism with a witness! Here is idolatry even without a mask: And he who can calmly hear and digest such doctrine, hath forfeited his claim to rationality—an apostate from the order of manhood—and ought to be considered as one who hath not only given up the proper dignity of man, but sunk himself beneath the rank of animals, and contemptibly crawls through the world like a worm.

However, it matters very little now what the king of England either says or does; he hath wickedly broken through every moral and human obligation, trampled nature and conscience beneath his feet, and by a steady and constitutional spirit of insolence and cruelty procured for himself an universal hatred. It is *now* the interest of America to provide for herself. She hath already a large and young family, whom it is more her duty to take care of, than to be granting away her property to support a power who is become a reproach to the names of men and christians—YE, whose office it is to watch the morals of a nation, of whatsoever

sect or denomination ye are of, as well as ye who are more immediately the guardians of the public liberty, if ye wish to preserve your native country uncontaminated by European corruption, ye must in secret wish a separation. But leaving the moral part to private reflection, I shall chiefly confine my further remarks to the following heads:

First, That it is the interest of America to be separated from Britain.

Secondly, Which is the easiest and most practicable plan, RECONCILIATION or INDEPENDENCE? with some occasional remarks.

In support of the first, I could, if I judged it proper, produce the opinion of some of the ablest and most experienced men on this continent: and whose sentiments on that head, are not yet publicly known. It is in reality a self-evident position: for no nation in a state of foreign dependance, limited in its commerce, and cramped and fettered in its legislative powers, can ever arrive at any material eminence. America doth not yet know what opulence is; and although the progress which she hath made stands unparalleled in the history of other nations, it is but childhood compared with what she would be capable of arriving at, had she, as she ought to have, the legislative powers in her own hands. England is at this time proudly coveting what would do her no good were she to accomplish it; and the continent hesitating on a matter which will be her final ruin if neglected. It is the commerce and not the conquest of America by which England is to be benefited, and that would in a great measure continue, were the countries as independant of each other as France and Spain; because in many articles neither can go to a better market. But it is the independance of this country of Britain, or any other, which is now the main and only object worthy of contention, and which, like all other truths discovered by necessity, will appear clear and stronger every day.

First, Because it will come to that one time or other.

Secondly, Because the longer it is delayed, the harder it will be to accomplish.

I have frequently amused myself both in public and private companies, with silently remarking the specious errors of those who speak without reflecting. And among the many which I have heard, the following seems the most general, viz. that had this rupture happened forty or fifty years hence, instead of now, the continent would have been more able to have shaken off the dependance. To which I reply, that our military ability, *at this time*, arises from the experience gained in the last war, and which in forty or fifty years time, would be totally extinct. The continent would not, by that time, have a general, or even a military officer left; and we, or those who may succeed us, would be as ignorant of martial matters as the ancient Indians: and this single position, closely attended to, will unanswerably prove that the present time is preferable to all others. The argument turns thus: At the conclusion of the last war, we had experience, but wanted numbers; and forty or fifty years hence, we shall have numbers, without experience; wherefore, the proper point of time, must be some particular point between the two extremes, in which a sufficiency of the former remains, and a proper increase of the latter is obtained: And that point of time is the present time.

The reader will pardon this digression, as it does not properly come under the head I first set out with, and to which I again return by the following position, viz.:

Should affairs be patched up with Britain, and she to remain the governing and sovereign power of America, (which, as matters are now circumstanced, is giving up the point entirely) we shall deprive ourselves of the very means of sinking the debt we have, or may contract. The value of the backlands, which some of the provinces are clandestinely deprived of, by the unjust extension of the limits of Canada, valued only at five pounds sterling per hundred acres, amount to upwards of twenty-five millions, Pennsylvania currency; and the quit-rents, at one penny sterling per acre, to two millions yearly.

It is by the sale of those lands that the debt may be sunk, without burthen to any, and the quit-rent reserved thereon will always lessen, and in time will wholly support, the yearly expense of government. It matters not how long the debt is in paying, so that the lands when sold be applied to the discharge of it, and for the execution of which the Congress for the time being will be the continental trustees.

I proceed now to the second head, viz. Which is the easiest and most practicable plan, Reconciliation or Independence; with some occasional remarks.

He who takes nature for his guide, is not easily beaten out of his argument, and on that ground, I answer generally—*That* independance *being a* single simple line, *contained within ourselves; and reconciliation, a matter exceedingly perplexed and complicated, and in which a treacherous capricious court is to interfere, gives the answer without a doubt.*

The present state of America is truly alarming to every man who is capable of reflection. With-

out law, without government, without any other mode of power than what is founded on, and granted by, courtesy. Held together by an unexampled occurrence of sentiment, which is nevertheless subject to change, and which every secret enemy is endeavoring to dissolve. Our present condition is, Legislation without law; wisdom without a plan; a constitution without a name; and, what is strangely astonishing, perfect independance contending for dependance. The instance is without a precedent, the case never existed before, and who can tell what may be the event? The property of no man is secure in the present unbraced system of things. The mind of the multitude is left at random, and seeing no fixed object before them, they pursue such as fancy or opinion presents. Nothing is criminal; there is no such thing as treason; wherefore, every one thinks himself at liberty to act as he pleases. The Tories would not have dared to assemble offensively, had they known that their lives, by that act, were forfeited to the laws of the state. A line of distinction should be drawn between English soldiers taken in battle, and inhabitants of America taken in arms. The first are prisoners, but the latter traitors. The one forfeits his liberty, the other his head.

Notwithstanding our wisdom, there is a visible feebleness in some of our proceedings which gives encouragement to dissentions. The Continental Belt is too loosely buckled: And if something is not done in time, it will be too late to do any thing, and we shall fall into a state, in which neither Reconciliation nor Independance will be practicable. The king and his worthless adherents are got at their old game of dividing the Continent, and there are not wanting among us Printers who will be busy in spreading specious falsehoods. The artful and hypocritical letter which appeared a few months ago in two of the New-York papers, and likewise in two others, is an evidence that there are men who want both judgment and honesty.

It is easy getting into holes and corners, and talking of reconciliation: But do such men seriously consider how difficult the task is, and how dangerous it may prove, should the Continent divide thereon? Do they take within their view all the various orders of men whose situation and circumstances, as well as their own, are to be considered therein? Do they put themselves in the place of the sufferer whose *all* is *already* gone, and of the soldier, who hath quitted *all* for the defence of his country? If their ill-judged moderation be suited to their own private situations *only*, regardless of others, the event will convince them that "they are reckoning without their host."

Put us, say some, on the footing we were in the year 1763: To which I answer, the request is not now in the power of Britain to comply with, neither will she propose it; but if it were, and even should be granted, I ask, as a reasonable question, By what means is such a corrupt and faithless court to be kept to its engagements? Another parliament, nay, even the present, may hereafter repeal the obligation, on the pretence of its being violently obtained, or unwisely granted; and, in that case, Where is our redress? No going to law with nations; cannon are the barristers of crowns; and the sword, not of justice, but of war, decides the suit. To be on the footing of 1763, it is not sufficient, that the laws only be put in the same state, but, that our circumstances likewise be put in the same state; our burnt and destroyed towns repaired or built up, our private losses made good, our public debts (contracted for defence) discharged; otherwise we shall be millions worse than we were at that enviable period. Such a request, had it been complied with a year ago, would have won the heart and soul of the Continent, but now it is too late. "The Rubicon is passed."

Besides, the taking up arms, merely to enforce the repeal of a pecuniary law, seems as unwarrantable by the divine law, and as repugnant to human feelings, as the taking up arms to enforce obedience thereto. The object, on either side, doth not justify the means; for the lives of men are too valuable to be cast away on such trifles. It is the violence which is done and threatened to our persons; the destruction of our property by an armed force; the invasion of our country by fire and sword, which conscientiously qualifies the use of arms: and the instant in which such mode of defence became necessary, all subjection to Britain ought to have ceased; and the independance of America should have been considered as dating its era from, and published by, *the first musket that was fired against her*. This line is a line of consistency; neither drawn by caprice, nor extended by ambition; but produced by a chain of events, of which the colonies were not the authors.

I shall conclude these remarks, with the following timely and well-intended hints. We ought to reflect, that there are three different ways by which an independancy may hereafter be effected; and that *one* of those *three*, will, one day or other, be the fate of America, viz. By the legal voice of the people in Congress; by a military power; or by a mob: It may not always happen that our soldiers are citizens, and the multitude a body of reasonable men; virtue, as I have already remarked, is not hereditary, neither is it perpetual.

Should an independancy be brought about by the first of those means, we have every opportunity and every encouragement before us, to form the noblest, purest constitution on the face of the earth. We have it in our power to begin the world over again. A situation, similar to the present, hath not happened since the days of Noah until now. The birthday of a new world is at hand, and a race of men, perhaps as numerous as all Europe contains, are to receive their portion of freedom from the events of a few months. The reflection is awful, and in this point of view, how trifling, how ridiculous, do the little paltry cavilings of a few weak or interested men appear, when weighed against the business of a world.

Should we neglect the present favorable and inviting period, and independance be hereafter effected by any other means, we must charge the consequence to ourselves, or to those rather whose narrow and prejudiced souls are habitually opposing the measure, without either inquiring or reflecting. There are reasons to be given in support of independance which men should rather privately think of, than be publicly told of. We ought not now to be debating whether we shall be independant or not, but anxious to accomplish it on a firm, secure, and honorable basis, and uneasy rather that it is not yet began upon. Every day convinces us of its necessity. Even the Tories (if such beings yet remain among us) should, of all men, be the most solicitous to promote it; for as the appointment of committees at first protected them from popular rage, so, a wise and well established form of government will be the only certain means of continuing it securely to them. Wherefore, if they have not virtue enough to be WHIGS, they ought to have prudence enough to wish for independance.

In short, Independance is the only BOND that can tye and keep us together. We shall then see our object, and our ears will be legally shut against the schemes of an intriguing, as well as cruel, enemy. We shall then, too, be on a proper footing to treat with Britain; for there is reason to conclude, that the pride of that court will be less hurt by treating with the American states for terms of peace, than with those, whom she denominates "rebellious subjects," for terms of accommodation. It is our delaying in that, encourages her to hope for conquest, and our backwardness tends only to prolong the war. As we have, without any good effect therefrom, withheld our trade to obtain a redress of our grievances, let us now try the alternative, by independantly redressing them ourselves, and then offering to open the trade. The mercantile and reasonable part of England, will be still with us; because, peace, with trade, is preferable to war without it. And if this offer be not accepted, other courts may be applied to.

On these grounds I rest the matter. And as no offer hath yet been made to refute the doctrine contained in the former editions of this pamphlet, it is a negative proof, that either the doctrine cannot be refuted, or, that the party in favor of it are too numerous to be opposed. WHEREFORE, instead of gazing at each other with suspicious or doubtful curiosity, let each of us hold out to his neighbor the hearty hand of friendship, and unite in drawing a line, which, like an act of oblivion, shall bury in forgetfulness every former dissention. Let the names of Whig and Tory be extinct; and let none other be heard among us, than those of *a good citizen; an open and resolute friend;* and *a virtuous supporter of the* RIGHTS *of* MANKIND, *and of the* FREE AND INDEPENDANT STATES OF AMERICA.

The Crisis

BY THOMAS PAINE

I.

THESE are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands it *now*, deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly: it is dearness only that gives every thing its value. Heaven knows how to put a proper price upon its goods; and it would be strange indeed if so celestial an article as FREEDOM should not be highly rated. Britain, with an army to enforce her tyranny, has declared that she has a right (*not only to* TAX) but "to BIND *us in* ALL CASES WHATSOEVER," and if being *bound in that manner*, is not slavery, then is there not such a thing as slavery upon earth. Even the expression is impious; for so unlimited a power can belong only to God.

Whether the independence of the continent was declared too soon, or delayed too long, I will not now enter into as an argument; my own simple opinion is, that had it been eight months earlier, it

would have been much better. We did not make a proper use of last winter, neither could we, while we were in a dependant state. However, the fault, if it were one, was all our own [1]; we have none to blame but ourselves. But no great deal is lost yet. All that Howe has been doing for this month past, is rather a ravage than a conquest, which the spirit of the Jerseys, a year ago, would have quickly repulsed, and which time and a little resolution will soon recover.

I have as little superstition in me as any man living, but my secret opinion has ever been, and still is, that God Almighty will not give up a people to military destruction, or leave them unsupportedly to perish, who have so earnestly and so repeatedly sought to avoid the calamities of war, by every decent method which wisdom could invent. Neither have I so much of the infidel in me, as to suppose that He has relinquished the government of the world, and given us up to the care of devils; and as I do not, I cannot see on what grounds the king of Britain can look up to heaven for help against us: a common murderer, a highwayman, or a house-breaker, has as good a pretence as he.

'Tis surprising to see how rapidly a panic will sometimes run through a country. All nations and ages have been subject to them: Britain has trembled like an ague at the report of a French fleet of flat bottomed boats; and in the fourteenth [fifteenth] century the whole English army, after ravaging the kingdom of France, was driven back like men petrified with fear; and this brave exploit was performed by a few broken forces collected and headed by a woman, Joan of Arc. Would that heaven might inspire some Jersey maid to spirit up her countrymen, and save her fair fellow sufferers from ravage and ravishment! Yet panics, in some cases, have their uses; they produce as much good as hurt. Their duration is always short; the mind soon grows through them, and acquires a firmer habit than before. But their peculiar advantage is, that they are the touchstones of sincerity and hypocrisy, and bring things and men to light, which might otherwise have lain forever undiscovered. In fact, they have the same effect on secret traitors, which an imaginary apparition would have upon a private murderer. They sift out the hidden thoughts of man, and hold them up in public to the world. Many a disguised tory has lately shown his head, that shall penitentially solemnize with curses the day on which Howe arrived upon the Delaware.

As I was with the troops at Fort Lee, and marched with them to the edge of Pennsylvania, I am well acquainted with many circumstances, which those who live at a distance know but little or nothing of. Our situation there was exceedingly cramped, the place being a narrow neck of land between the North River and the Hackensack. Our force was inconsiderable, being not one fourth so great as Howe could bring against us. We had no army at hand to have relieved the garrison, had we shut ourselves up and stood on our defence. Our ammunition, light artillery, and the best part of our stores, had been removed, on the apprehension that Howe would endeavor to penetrate the Jerseys, in which case Fort Lee could be of no use to us; for it must occur to every thinking man, whether in the army or not, that these kind of field forts are only for temporary purposes, and last in use no longer than the enemy directs his force against the particular object, which such forts are raised to defend. Such was our situation and condition at Fort Lee on the morning of the 20th of November, when an officer arrived with information that the enemy with 200 boats had landed about seven miles above: Major General [Nathaniel] Green, who commanded the garrison, immediately ordered them under arms, and sent express to General Washington at the town of Hackensack, distant by the way of the ferry = six miles. Our first object was to secure the bridge over the Hackensack, which laid up the river between the enemy and us, about six miles from us, and three from them. General Washington arrived in about three quarters of an hour, and marched at the head of the troops towards the bridge, which place I expected we should have a brush for; however, they did not choose to dispute it with us, and the greatest part of our troops went over the bridge, the rest over the ferry, except some which passed at a mill on a small creek, between the bridge and the ferry, and made their way through some marshy grounds up to the town of Hackensack, and there passed the river. We brought off as much baggage as the wagons could contain, the rest was lost. The simple object was to bring off the garrison, and march them on till they could be strengthened by the Jersey or Pennsylvania militia, so as to be enabled to make a stand. We staid four days at Newark, collected our out-posts with some of the Jersey militia, and marched out twice to meet the enemy, on being informed that they were advancing, though our numbers were greatly inferior to

[1] The present winter is worth an age, if rightly employed; but, if lost or neglected, the whole continent will partake of the evil; and there is no punishment that man does not deserve, be he who, or what, or where he will, that may be the means of sacrificing a season so precious and useful.

theirs. Howe, in my little opinion, committed a great error in generalship in not throwing a body of forces off from Staten Island through Amboy, by which means he might have seized all our stores at Brunswick, and intercepted our march into Pennsylvania; but if we believe the power of hell to be limited, we must likewise believe that their agents are under some providential controul.

I shall not now attempt to give all the particulars of our retreat to the Delaware; suffice it for the present to say, that both officers and men, though greatly harassed and fatigued, frequently without rest, covering, or provision, the inevitable consequences of a long retreat, bore it with a manly and martial spirit. All their wishes centred in one, which was, that the country would turn out and help them to drive the enemy back. Voltaire has remarked that king William never appeared to full advantage but in difficulties and in action; the same remark may be made on General Washington, for the character fits him. There is a natural firmness in some minds which cannot be unlocked by trifles, but which, when unlocked, discovers a cabinet of fortitude; and I reckon it among those kind of public blessings, which we do not immediately see, that God hath blessed him with uninterrupted health, and given him a mind that can even flourish upon care.

I shall conclude this paper with some miscellaneous remarks on the state of our affairs; and shall begin with asking the following question, Why is it that the enemy have left the New-England provinces, and made these middle ones the seat of war? The answer is easy: New-England is not infested with tories, and we are. I have been tender in raising the cry against these men, and used numberless arguments to show them their danger, but it will not do to sacrifice a world either to their folly or their baseness. The period is now arrived, in which either they or we must change our sentiments, or one or both must fall. And what is a tory? Good God! what is he? I should not be afraid to go with a hundred whigs against a thousand tories, were they to attempt to get into arms. Every tory is a coward; for servile, slavish, self-interested fear is the foundation of toryism; and a man under such influence, though he may be cruel, never can be brave.

But, before the line of irrecoverable separation be drawn between us, let us reason the matter together: Your conduct is an invitation to the enemy, yet not one in a thousand of you has heart enough to join him. Howe is as much deceived by you as the American cause is injured by you. He expects you will all take up arms, and flock to his standard, with muskets on your shoulders. Your opinions are of no use to him, unless you support him personally, for 'tis soldiers, and not tories, that he wants.

I once felt all that kind of anger, which a man ought to feel, against the mean principles that are held by the tories: a noted one, who kept a tavern at Amboy, was standing at his door, with as pretty a child in his hand, about eight or nine years old, as I ever saw, and after speaking his mind as freely as he thought was prudent, finished with this unfatherly expression, "*Well! give me peace in my day.*" Not a man lives on the continent but fully believes that a separation must some time or other finally take place, and a generous parent should have said, "*If there must be trouble, let it be in my day, that my child may have peace;*" and this single reflection, well applied, is sufficient to awaken every man to duty. Not a place upon earth might be so happy as America. Her situation is remote from all the wrangling world, and she has nothing to do but to trade with them. A man can distinguish himself between temper and principle, and I am as confident, as I am that God governs the world, that America will never be happy till she gets clear of foreign dominion. Wars, without ceasing, will break out till that period arrives, and the continent must in the end be conqueror; for though the flame of liberty may sometimes cease to shine, the coal can never expire.

America did not, nor does not want force; but she wanted a proper application of that force. Wisdom is not the purchase of a day, and it is no wonder that we should err at the first setting off. From an excess of tenderness, we were unwilling to raise an army, and trusted our cause to the temporary defence of a well-meaning militia. A summer's experience has now taught us better; yet with those troops, while they were collected, we were able to set bounds to the progress of the enemy, and, thank God! they are again assembling. I always considered militia as the best troops in the world for a sudden exertion, but they will not do for a long campaign. Howe, it is probable, will make an attempt on this city; should he fail on this side the Delaware, he is ruined: if he succeeds, our cause is not ruined. He stakes all on his side against a part on ours; admitting he succeeds, the consequence will be, that armies from both ends of the continent will march to assist their suffering friends in the middle states; for he cannot go everywhere, it is impossible. I consider Howe as the greatest enemy the tories have; he is bringing a war into their country, which, had it not been for him and partly for themselves, they had been clear of. Should he now be expelled, I wish with all the devotion of a Christian, that the names of

whig and tory may never more be mentioned; but should the tories give him encouragement to come, or assistance if he come, I as sincerely wish that our next year's arms may expel them from the continent, and the congress appropriate their possessions to the relief of those who have suffered in well-doing. A single successful battle next year will settle the whole. America could carry on a two years war by the confiscation of the property of disaffected persons, and be made happy by their expulsion. Say not that this is revenge, call it rather the soft resentment of a suffering people, who, having no object in view but the *good* of *all*, have staked their *own all* upon a seemingly doubtful event. Yet it is folly to argue against determined hardness; eloquence may strike the ear, and the language of sorrow draw forth the tear of compassion, but nothing can reach the heart that is steeled with prejudice.

Quitting this class of men, I turn with the warm ardor of a friend to those who have nobly stood, and are yet determined to stand the matter out: I call not upon a few, but upon all: not on *this* state or *that* state, but on *every* state: up and help us; lay your shoulders to the wheel; better have too much force than too little, when so great an object is at stake. Let it be told to the future world, that in the depth of winter, when nothing but hope and virtue could survive, that the city and the country, alarmed at one common danger, came forth to meet and to repulse it. Say not that thousands are gone, turn out your tens of thousands; throw not the burden of the day upon Providence, but "*show your faith by your works*," that God may bless you. It matters not where you live, or what rank of life you hold, the evil or the blessing will reach you all. The far and the near, the home counties and the back, the rich and the poor, will suffer or rejoice alike. The heart that feels not now, is dead: the blood of his children will curse his cowardice, who shrinks back at a time when a little might have saved the whole, and made *them* happy. I love the man that can smile in trouble, that can gather strength from distress, and grow brave by reflection. 'Tis the business of little minds to shrink; but he whose heart is firm, and whose conscience approves his conduct, will pursue his principles unto death. My own line of reasoning is to myself as straight and clear as a ray of light. Not all the treasures of the world, so far as I believe, could have induced me to support an offensive war, for I think it murder; but if a thief breaks into my house, burns and destroys my property, and kills or threatens to kill me, or those that are in it, and to "*bind me in all cases whatsoever*" to his absolute will, am I to suffer it? What signifies it to me, whether he who does it is a king or a common man; my countryman or not my countryman; whether it be done by an individual villain, or an army of them? If we reason to the root of things we shall find no difference; neither can any just cause be assigned why we should punish in the one case and pardon in the other. Let them call me rebel, and welcome, I feel no concern from it; but I should suffer the misery of devils, were I to make a whore of my soul by swearing allegiance to one whose character is that of a sottish, stupid, stubborn, worthless, brutish man. I conceive likewise a horrid idea in receiving mercy from a being, who at the last day shall be shrieking to the rocks and mountains to cover him, and fleeing with terror from the orphan, the widow, and the slain of America.

There are cases which cannot be overdone by language, and this is one. There are persons, too, who see not the full extent of the evil which threatens them; they solace themselves with hopes that the enemy, if he succeed, will be merciful. It is the madness of folly, to expect mercy from those who have refused to do justice; and even mercy, where conquest is the object, is only a trick of war; the cunning of the fox is as murderous as the violence of the wolf, and we ought to guard equally against both. Howe's first object is, partly by threats and partly by promises, to terrify or seduce the people to deliver up their arms and receive mercy. The ministry recommended the same plan to Gage, and this is what the tories call making their peace, "*a peace which passeth all understanding*" *indeed!* A peace which would be the immediate forerunner of a worse ruin than any we have yet thought of. Ye men of Pennsylvania, do reason upon these things! Were the back counties to give up their arms, they would fall an easy prey to the Indians, who are all armed: this perhaps is what some tories would not be sorry for. Were the home counties to deliver up their arms, they would be exposed to the resentment of the back counties, who would then have it in their power to chastise their defection at pleasure. And were any one state to give up its arms, *that* state must be garrisoned by all Howe's army of Britons and Hessians to preserve it from the anger of the rest. Mutual fear is the principal link in the chain of mutual love, and woe be to that state that breaks the compact. Howe is mercifully inviting you to barbarous destruction, and men must be either rogues or fools that will not see it. I dwell not upon the vapours of imagination: I bring reason to your ears, and, in language as plain as A, B, C, hold up truth to your eyes.

I thank God, that I fear not. I see no real cause for fear. I know our situation well, and can see the way out of it. While our army was collected, Howe dared not risk a battle; and it is no credit to him that he decamped from the White Plains, and waited a mean opportunity to ravage the defenceless Jerseys; but it is great credit to us, that, with a handful of men, we sustained an orderly retreat for near an hundred miles, brought off our ammunition, all our field pieces, the greatest part of our stores, and had four rivers to pass. None can say that our retreat was precipitate, for we were near three weeks in performing it, that the country might have time to come in. Twice we marched back to meet the enemy, and remained out till dark. The sign of fear was not seen in our camp, and had not some of the cowardly and disaffected inhabitants spread false alarms through the country, the Jerseys had never been ravaged. Once more we are again collected and collecting; our new army at both ends of the continent is recruiting fast, and we shall be able to open the next campaign with sixty thousand men, well armed and clothed. This is our situation, and who will may know it. By perseverance and fortitude we have the prospect of a glorious issue; by cowardice and submission, the sad choice of a variety of evils—a ravaged country—a depopulated city—habitations without safety, and slavery without hope—our homes turned into barracks and bawdy-houses for Hessians, and a future race to provide for, whose fathers we shall doubt of. Look on this picture and weep over it! and if there yet remains one thoughtless wretch who believes it not, let him suffer it unlamented.

SOME RESULTS OF THE AMERICAN REVOLUTION

THE ARTICLES OF CONFEDERATION

The Parliament which fought Charles I may have been rebellious, but it was at least legally constituted. The Continental Congress not only acted against the law of the kingdom, it existed outside that law—the British colonial system made no provision for an assembly representing all the continental colonies. The revolutionary congresses are the supreme instance of the American talent for transmuting a self-appointed group of protesters into an organ of government. Such extralegal bodies might be considered better adapted to draft resolutions than to conduct executive business. Yet, for the years between 1776 and 1781, the Continental Congress acted with no more formal authority than its own assertion and the cooperation of the several states—in whatever degree they chose to give that cooperation.

To be sure, plans to formalize the position of Congress by devising a "general government" had been proposed as early as the resolution for independence itself. A committee to bring in a draft constitution was appointed in June, 1776; it reported a month later, and desultory debate on this report did take place. But constitution-making awakened no marked interest. John Adams, for instance, maintained that so long as the authority of Congress was accepted and the states were left free to regulate their own affairs, writing a constitution for the United States was a waste of energy.

By 1777, that view had declined and the Articles of Confederation were finally drawn up and offered to the states for ratification. As a league of nations, the Confederation was admirably constituted: each member state was to give full faith and credit to the judicial proceedings of the others and free citizens of any state were to have the privileges of free citizens throughout the union. Each state was to have one vote cast by delegates it appointed and paid, and the votes of nine states were necessary on questions of war, treaty-making, the coining of money, and the emission of bills of credit. The Congress which the delegates would compose was to have full charge of war and foreign affairs. The costs of the Confederation government were to be born by contribu-

tions from the several states in proportion to the value of their surveyed lands and buildings. In event of disputes between states, Congress was to appoint a commission on the request of one of the parties; this commission would hear and determine the matter at issue. The confederacy was to be perpetual, though its terms might be altered by vote of Congress confirmed by the consent of the legislatures of the states.

As the joint executive of a group of allied sovereigns, the Confederation Congress might have been considered adequate. As the government of a nation, it was pitiable. The Articles of Confederation established neither an executive nor a judiciary. Under it, the Congress had no power to regulate commerce. Nor had it any means of obtaining money except by the good will of the states, for it could assess quotas but had no power to collect them.

Insufficient as the Articles of Confederation were to prove, four years went by before Maryland's ratification secured the acceptance of even that constitution for the United States. The most serious cause for the delay was state antagonism: the large states thought the smaller had an unreasonable influence since they had an equal vote; the small states resented the growth which the possession of western lands would make possible to Virginia, the Carolinas, Pennsylvania, and even Massachusetts, Connecticut, and New York. By reason of her position, Maryland was particularly gloomy about her future. To pay her share of the revolutionary debt, she would be obliged to tax her people while neighboring Virginia and Pennsylvania filled their treasuries from the sale of their western lands.

Maryland's protest may have been one of the reasons why Congress appealed to the states to cede their lands to "the United States in Congress assembled"; more important must have been the danger latent in the western claims of the states. Each of the landed states based its title on royal grants laying down conflicting boundaries. Virginia extended to the Mississippi, by her reading of her charter, but so did Massachusetts, Connecticut, and New York. Virginia had organized a county in the Illinois country; Massachusetts and Connecticut claimed land there as well as in Pennsylvania and New York. New York asserted rights of her own, as successor to the prerogatives of the royal province she had ceased to be (the province was itself successor to the Six Nations which had subjected the tribes of the Ohio and Illinois country).

If this tangle of claims should proceed from argument to action, the fight for independence might become an internecine war. The Congress repeated its appeals. The states made partial concessions which Congress refused to accept. Then, in 1780, New York's legislature offered to cede the state's claim to land west of Pennsylvania. With that for assurance, Maryland proceeded to ratify the Articles of Confederation, apparently hoping that other landed states would follow New York.

In March, 1781, Maryland ratified; and, with all its defects, the Articles of Confederation became the instrument of the federal government of the United States. Among the Americans who saw the flaws of that instrument, none was more keenly articulate than James Madison (1750–1836), who had had experience in constitution-making in Virginia where he had helped draft the Constitution of 1776, and who had spent three years as a member of the Continental Congress, two while it was operating under the Articles he criticized. His memorandum, *Views of the Political System of the United States*, not only repeats the facts of discord and division which had made themselves so evident in the years following the peace of 1783, but sets forth causes and even foreshadows some of the remedial measures that were to be included in the Constitution.

The fundamental evil lay in the nature of confederacies of numerous states each having independent authority. Such states were, in their nature, bound to encroach on federal authority, trespass on each other's rights and violate international law and treaty obligations. They would fail to take united action for com-

merce, naturalization and the "grant of incorporation for national purposes, for canals and other works of national utility." As organized, the present federal system gave the states no effective guarantee against internal violence, nor did it have coercive power as sanction for federal laws. The Articles of Confederation had not been ratified by the people, and, in some of the states, formed no part of their constitution. Therefore, the Articles lacked the authority necessary to a proper instrument of government. Furthermore, as the confederation was merely that of a league, violation of the covenant of the Articles by one party released the others from their obligations.

Besides the difficulties inherent in all leagues among sovereigns, the United States suffered from difficulties peculiar to its own situation. State laws were not only mutable but unjust, and their multiplication had become a "pestilential nuisance." Worse still, none of the states had met the essential problem of political justice: how to make government neutral in respect to the interests composing a society without setting itself up as an interest adverse to that society. With proper constitutional organization and a system of elections designed to "extract" the "purest and noblest" elements from society, the United States, Madison implies, might hurdle the obstacles of present disturbances and form a stable government able to assure order and maintain liberty.

The Madison memorandum carried the date April, 1787, and is reprinted from the *Writings*, ed. Gaillard Hunt (8 vols., New York, 1901).

Views of the Political System of the United States

BY JAMES MADISON

1. *Failure of the States to comply with the Constitutional requisitions.* This evil has been so fully experienced both during the war and since the peace, results so naturally from the number and independent authority of the States and has been so uniformly exemplified in every similar Confederacy, that it may be considered as not less radically and permanently inherent in than it is fatal to the object of the present system.

2. *Encroachments by the States on the federal authority.* Examples of this are numerous and repetitions may be foreseen in almost every case where any favorite object of a State shall present a temptation. Among these examples are the wars and treaties of Georgia with the Indians. The unlicensed compacts between Virginia and Maryland, and between Pen[a] & N. Jersey—the troops raised and to be kept up by Mass[ts].

3. *Violations of the law of nations and of treaties.* From the number of Legislatures, the sphere of life from which most of their members are taken, and the circumstances under which their legislative business is carried on, irregularities of this kind must frequently happen. Accordingly not a year has passed without instances of them in some one or other of the States. The Treaty of Peace—the treaty with France—the treaty with Holland have each been violated. [See the complaints to Congress on these subjects.] The causes of these irregularities must necessarily produce frequent violations of the law of nations in other respects.

As yet foreign powers have not been rigorous in animadverting on us. This moderation, however cannot be mistaken for a permanent partiality to our faults, or a permanent security ag[st] those disputes with other nations, which being among the greatest of public calamities, it ought to be least in the power of any part of the community to bring on the whole.

4. *Trespasses of the States on the rights of each other.* These are alarming symptoms, and may be daily apprehended as we are admonished by daily experience. See the law of Virginia restricting foreign vessels to certain ports—of Maryland in favor of vessels belonging to her *own citizens*—of N. York in favor of the same—

Paper money, instalments of debts, occlusion of Courts, making property a legal tender, may likewise be deemed aggressions on the rights of other States. As the Citizens of every State aggregately taken stand more or less in the relation of Creditors or debtors, to the Citizens of every other State, Acts of the debtor State in favor of debtors, affect the Creditor State, in the same manner as they do its own citizens who are relatively creditors towards other citizens. This remark may be extended to foreign nations. If the exclusive regu-

lation of the value and alloy of coin was properly delegated to the federal authority, the policy of it equally requires a controul on the States in the cases above mentioned. It must have been meant 1. to preserve uniformity in the circulating medium throughout the nation. 2. to prevent those frauds on the citizens of other States, and the subjects of foreign powers, which might disturb the tranquillity at home, or involve the Union in foreign contests.

The practice of many States in restricting the commercial intercourse with other States, and putting their productions and manufactures on the same footing with those of foreign nations, though not contrary to the federal articles, is certainly adverse to the spirit of the Union, and tends to beget retaliating regulations, not less expensive and vexatious in themselves than they are destructive of the general harmony.

5. *Want of concert in matters where common interest requires it.* This defect is strongly illustrated in the state of our commercial affairs. How much has the national dignity, interest, and revenue, suffered from this cause? Instances of inferior moment are the want of uniformity in the laws concerning naturalization & literary property; of provision for national seminaries, for grants of incorporation for national purposes, for canals and other works of general utility, wch may at present be defeated by the perverseness of particular States whose concurrence is necessary.

6. *Want of Guaranty to the States of their Constitutions & laws against internal violence.* The confederation is silent on this point and therefore by the second article the hands of the federal authority are tied. According to Republican Theory, Right and power being both vested in the majority, are held to be synonymous. According to fact and experience a minority may in an appeal to force, be an overmatch for the majority. 1. if the minority happen to include all such as possess the skill and habits of military life, & such as possess the great pecuniary resources, one-third only may conquer the remaining two-thirds. 2. one-third of those who participate in the choice of the rulers, may be rendered a majority by the accession of those whose poverty excludes them from a right of suffrage, and who for obvious reasons will be more likely to join the standard of sedition than that of the established Government. 3. where slavery exists the republican Theory becomes still more fallacious.

7. *Want of sanction to the laws, and of coercion in the Government of the Confederacy.* A sanction is essential to the idea of law, as coercion is to that of Government. The federal system being destitute of both, wants the great vital principles of a Political Constitution. Under the form of such a constitution, it is in fact nothing more than a treaty of amity of commerce and of alliance, between independent and Sovereign States. From what cause could so fatal an omission have happened in the articles of Confederation? from a mistaken confidence that the justice, the good faith, the honor, the sound policy, of the several legislative assemblies would render superfluous any appeal to the ordinary motives by which the laws secure the obedience of individuals: a confidence which does honor to the enthusiastic virtue of the compilers, as much as the inexperience of the crisis apologizes for their errors. The time which has since elapsed has had the double effect, of increasing the light and tempering the warmth, with which the arduous work may be revised. It is no longer doubted that a unanimous and punctual obedience of 13 independent bodies, to the acts of the federal Government ought not to be calculated on. Even during the war, when external danger supplied in some degree the defect of legal & coercive sanctions, how imperfectly did the States fulfil their obligations to the Union? In time of peace, we see already what is to be expected. How indeed could it be otherwise? In the first place, Every general act of the Union must necessarily bear unequally hard on some particular member or members of it, secondly the partiality of the members to their own interests and rights, a partiality which will be fostered by the courtiers of popularity, will naturally exaggerate the inequality where it exists, and even suspect it where it has no existence, thirdly a distrust of the voluntary compliance of each other may prevent the compliance of any, although it should be the latent disposition of all. Here are causes & pretexts which will never fail to render federal measures abortive. If the laws of the States were merely recommendatory to their citizens, or if they were to be rejudged by County authorities, what security, what probability would exist, that they would be carried into execution? Is the security or probability greater in favor of the acts of Cong^s^ which depending for their execution on the will of the State legislatures, wch are tho' nominally authoritative, in fact recommendatory only?

8. *Want of ratification by the people of the articles of Confederation.* In some of the States the Confederation is recognized by, and forms a part of the Constitution. In others however it has received no other sanction than that of the legislative authority. From this defect two evils result: 1. Whenever a law of a State happens to be repugnant to an act of Congress, particularly when

the latter [former] is of posterior date to the former, [latter] it will be at least questionable whether the latter [former] must not prevail; and as the question must be decided by the Tribunals of the State, they will be most likely to lean on the side of the State.

2. As far as the union of the States is to be regarded as a league of sovereign powers, and not as a political Constitution by virtue of which they are become one sovereign power, so far it seems to follow from the doctrine of compacts, that a breach of any of the articles of the Confederation by any of the parties to it, absolves the other parties from their respective Obligations, and gives them a right if they chuse to exert it, of dissolving the Union altogether.

9. *Multiplicity of laws in the several States.* In developing the evils which viciate the political system of the U. S., it is proper to include those which are found within the States individually, as well as those which directly affect the States collectively, since the former class have an indirect influence on the general malady and must not be overlooked in forming a compleat remedy. Among the evils then of our situation may well be ranked the multiplicity of laws from which no State is exempt. As far as laws are necessary to mark with precision the duties of those who are to obey them, and to take from those who are to administer them a discretion which might be abused, their number is the price of liberty. As far as laws exceed this limit, they are a nuisance; a nuisance of the most pestilent kind. Try the Codes of the several States by this test, and what a luxuriancy of legislation do they present. The short period of independency has filled as many pages as the century which preceded it. Every year, almost every session, adds a new volume. This may be the effect in part, but it can only be in part, of the situation in which the revolution has placed us. A review of the several Codes will shew that every necessary and useful part of the least voluminous of them might be compressed into one tenth of the compass, and at the same time be rendered ten fold as perspicuous.

10. *Mutability of the laws of the States.* This evil is intimately connected with the former yet deserves a distinct notice, as it emphatically denotes a vicious legislation. We daily see laws repealed or superseded, before any trial can have been made of their merits, and even before a knowledge of them can have reached the remoter districts within which they were to operate. In the regulations of trade this instability becomes a snare not only to our citizens, but to foreigners also.

11. *Injustice of the laws of the States.* If the multiplicity and *mutability* of laws prove a want of wisdom, their injustice betrays a defect still more alarming: more alarming not merely because it is a greater evil in itself; but because it brings more into question the fundamental principle of republican Government, that the majority who rule in such governments are the safest Guardians both of public Good and private rights. To what causes is this evil to be ascribed?

These causes lie 1. in the Representative bodies. 2. in the people themselves.

1. Representative appointments are sought from 3 motives. 1. ambition. 2. personal interest. 3. public good. Unhappily the two first are proved by experience to be most prevalent. Hence the candidates who feel them, particularly, the second, are most industrious, and most successful in pursuing their object: and forming often a majority in the legislative Councils, with interested views, contrary to the interest and views of their constituents, join in a *perfidious* sacrifice of the latter to the former. A succeeding election it might be supposed, would displace the offenders, and repair the mischief. But how easily are base and selfish measures, masked by pretexts of public good and apparent expediency? How frequently will a repetition of the same arts and industry which succeeded in the first instance, again prevail on the unwary to misplace their confidence?

How frequently too will the honest but unenlightened representative be the dupe of a favorite leader, veiling his selfish views under the professions of public good, and varnishing his sophistical arguments with the glowing colours of popular eloquence?

2. A still more fatal if not more frequent cause, lies among the people themselves. All civilized societies are divided into different interests and factions, as they happen to be creditors or debtors —rich or poor—husbandmen, merchants or manufacturers—members of different religious sects—followers of different political leaders—inhabitants of different districts—owners of different kinds of property &c &c. In republican Government the majority however composed, ultimately give the law. Whenever therefore an apparent interest or common passion unites a majority what is to restrain them from unjust violations of the rights and interests of the minority, or of individuals? Three motives only 1. a prudent regard to their own good as involved in the general and permanent good of the community. This consideration although of decisive weight in itself, is found by experience to be too often unheeded. It is too often forgotten, by nations as well as by

individuals, that honesty is the best policy. 2dly. respect for character. However strong this motive may be in individuals, it is considered as very insufficient to restrain them from injustice. In a multitude its efficacy is diminished in proportion to the number which is to share the praise or the blame. Besides, as it has reference to public opinion, which within a particular Society, is the opinion of the majority, the standard is fixed by those whose conduct is to be measured by it. The public opinion without the Society will be little respected by the people at large of any Country. Individuals of extended views, and of national pride, may bring the public proceedings to this standard, but the example will never be followed by the multitude. Is it to be imagined that an ordinary citizen or even Assemblyman of R. Island in estimating the policy of paper money, ever considered or cared, in what light the measure would be viewed in France or Holland; or even in Mass^{ts} or Connec^{t}? It was a sufficient temptation to both that it was for their interest; it was a sufficient sanction to the latter that it was popular in the State; to the former, that it was so in the neighbourhood. 3dly. will Religion the only remaining motive be a sufficient restraint? It is not pretended to be such on men individually considered. Will its effect be greater on them considered in an aggregate view? quite the reverse. The conduct of every popular assembly acting on oath, the strongest of religious ties, proves that individuals join without remorse in acts, against which their consciences would revolt if proposed to them under the like sanction, separately in their closets. When indeed Religion is kindled into enthusiasm, its force like that of other passions, is increased by the sympathy of a multitude. But enthusiasm is only a temporary state of religion, and while it lasts will hardly be seen with pleasure at the helm of Government. Besides as religion in its coolest state is not infallible, it may become a motive to oppression as well as a restraint from injustice. Place three individuals in a situation wherein the interest of each depends on the voice of the others; and give to two of them an interest opposed to the rights of the third? Will the latter be secure? The prudence of every man would shun the danger. The rules & forms of justice suppose & guard against it. Will two thousand in a like situation be less likely to encroach on the rights of one thousand? The contrary is witnessed by the notorious factions & oppressions which take place in corporate towns limited as the opportunities are, and in little republics when uncontrouled by apprehensions of external danger. If an enlargement of the sphere is found to lessen the insecurity of private rights, it is not because the impulse of a common interest or passion is less predominant in this case with the majority; but because a common interest or passion is less apt to be felt and the requisite combinations less easy to be formed by a great than by a small number. The Society becomes broken into a greater variety of interests, of pursuits of passions, which check each other, whilst those who may feel a common sentiment have less opportunity of communication and concert. It may be inferred that the inconveniences of popular States contrary to the prevailing Theory, are in proportion not to the extent, but to the narrowness of their limits.

The great *desideratum* in Government is such a modification of the sovereignty as will render it sufficiently neutral between the different interests and factions, to controul one part of the society from invading the rights of another, and at the same time sufficiently controuled itself, from setting up an interest adverse to that of the whole Society. In absolute Monarchies the prince is sufficiently, neutral towards his subjects, but frequently sacrifices their happiness to his ambition or his avarice. In small Republics, the sovereign will is sufficiently controuled from such a sacrifice of the entire Society, but is not sufficiently neutral towards the parts composing it. As a limited monarchy tempers the evils of an absolute one; so an extensive Republic meliorates the administration of a small Republic.

An auxiliary desideratum for the melioration of the Republican form is such a process of elections as will most certainly extract from the mass of the society the purest and noblest characters which it contains; such as will at once feel most strongly the proper motives to pursue the end of their appointment, and be most capable to devise the proper means of attaining it.

THE CHARTER OF THE BANK OF NORTH AMERICA

By 1781, the currency and credit of the Continental Congress had dropped to a new low. Congress appointed Robert Morris (1734–1806) Superintendent of Finance in the hope that his business experience would provide the funds neither paper money nor unregarded

requisitions on the states had supplied. With no resources but the Congress's debts and diplomatic connections, Morris set about his task. He had already bedeviled the Pennsylvania Assembly into repealing its legal-tender laws and providing for the partial redemption of its paper money. Though that was not feasible for a Congress which could neither lay nor collect taxes, Congress might mend matters by chartering a bank. A bank, Morris argued, would so combine the private credit of its stockholders, lenders, and borrowers as to supply a base for public and private borrowing. The bank's notes, redeemable in specie and receivable in payment of state and federal taxes, would finally replace the worthless paper which was the only currency then available.

Morris's plan for a bank met with small encouragement among the Whig businessmen who would not buy stock. Nor was the Congress entirely certain of its power to charter such an institution. But Robert Morris was not to be checked by merchants' caution or James Madison's constitutional scruples. Morris looked abroad for the necessary hard money. When a British frigate captured the shipload of flour which he had planned to exchange for specie in Havana, Morris turned to the silver which France had finally sent to her ally. An armed guard brought the specie safely from Boston to Philadelphia and the vaults of the new bank. A few weeks later, in December, 1781, Congress incorporated the bank which opened at the turn of the year and soon was serving Morris by discounting his notes and giving him credit in anticipation of taxes. This was the first commercial bank chartered in America; and it was another proof of the determination of Americans to free themselves from the restraints of the English Mercantilist System.

The text of the charter is from M. St. Clair Clarke and D. H. Hall, *Legislative and Documentary History of the Bank of the United States* (Washington, 1832).

The Charter of the Bank of North America

AN ORDINANCE TO INCORPORATE THE SUBSCRIBERS TO THE BANK OF NORTH AMERICA

WHEREAS Congress, on the 26th day of May last, did, from a conviction of the support which the finances of the United States would receive from the establishment of a National Bank, approve a plan for such an institution, submitted to their consideration by Robert Morris, Esq. and now lodged among the archives of Congress, and did engage to promote the same by the most effectual means: And whereas the subscription thereto is now filled, from an expectation of a charter of incorporation from Congress, the directors and president are chosen, and application hath been made to Congress, by the said president and directors, for an act of incorporation: And whereas the exigencies of the United States render it indispensably necessary that such an act be immediately passed:

Be it therefore ordained and it is hereby ordained by the United States in Congress assembled, That those who are, and those who shall become, subscribers to the said bank, be, and forever after shall be, a corporation and body politic, to all intents and purposes, by the name and style of "*The President, Directors, and Company, of the Bank of North America.*"

And be it further ordained, That the said corporation are hereby declared and made able and capable, in law, to have, purchase, receive, possess, enjoy, and retain, lands, rents, tenements, hereditaments, goods, chattels, and effects, of what kind, nature, or quality, soever, to the amount of ten millions of Spanish silver milled dollars, and no more; and, also, to sell, grant, demise, alien, or dispose of, the same lands, rents, tenements, hereditaments, goods, chattels, and effects.

And be it further ordained, That the said corporation be, and shall be, for ever, hereafter, able and capable, in law, to sue and be sued, plead and be impleaded, answer and be answered unto, defend and be defended, in courts of record, or any other place whatsoever, and to do and execute all and singular other matters and things that to them shall or may appertain to do.

And be it further ordained, That, for the well governing of the said corporation and the ordering of their affairs, they shall have such officers as they shall hereafter direct or appoint. *Provided, nevertheless*, That twelve directors, one of whom

shall be the president of the corporation, be of the number of their officers.

And be it further ordained, That Thomas Willing be the present president, and that the said Thomas Willing and Thomas Fitzsimmons, John Maxwell Nesbit, James Wilson, Henry Hill, Samuel Osgood, Cadwallader Morris, Andrew Caldwell, Samuel Inglis, Samuel Meredith, William Bingham, Timothy Matlack, be the present directors of the said corporation; and shall so continue until another president and other directors shall be chosen, according to the laws and regulations of the said corporation.

And be it further ordained, That the president and directors of the said corporation shall be capable of exercising such power for the well governing and ordering of the affairs of the said corporation, and of holding such occasional meetings for that purpose, as shall be described, fixed, and determined, by the laws, regulations, and ordinances, of the said corporation.

And be it further ordained, That the said corporation may make, ordain, establish, and put in execution, such laws, ordinances, and regulations, as shall seem necessary and convenient to the government of the said corporation.

Provided, always, That nothing herein before contained shall be construed to authorize the said corporation to exercise any powers, in any of the United States, repugnant to the laws or constitution of such State.

And be it further ordained, That the said corporation shall have full power and authority to make, have, and use, a common seal, with such device and inscription as they shall think proper, and the same to break, alter, and renew, at their pleasure.

And be it further ordained, That this ordinance shall be construed and taken most favorably and beneficially for the said corporation.

Done by the United States in Congress assembled, &c.

THE VIRGINIA STATUTE OF RELIGIOUS LIBERTY

Though the Virginia Bill of Rights had declared all men equally entitled to practice their religion, it made no formal and specific disestablishment of the Episcopal Church. Legal prosecutions for religious causes ceased and tithes were no longer collected, but sufficient remnants of privilege remained to make necessary a long fight for complete religious freedom in Virginia.

The House of Delegates had repealed all Acts of Parliament concerning religion, to be sure, yet there was still considerable sentiment for some form of public support for religion. Proposals were made to declare Christianity the religion of the state and to levy taxes to maintain ministers of all denominations.

By 1784, that proposition had won the approval of so many of the conservative tidewater members of the legislature that only Madison's aptly timed motion for postponement prevented the passage of a law levying a tax for the public support of religion. In the interval between sessions, the opposition brought the issue before the voters in an intensive campaign of speeches and publications. The Dissenting sects of the western counties and Madison's forces in the east were so successful that the legislature passed not Patrick Henry's measure for the public maintenance of religion but the Statute of Religious Liberty, whose authorship Thomas Jefferson proudly proclaimed in his epitaph. The act was passed January 16, 1786.

The selection is reprinted from W. A. Henning, *Statutes at Large of Virginia*, Vol. XII (Richmond, 1823).

Virginia Statute of Religious Liberty

BY THOMAS JEFFERSON

An Act for establishing Religious Freedom

I. Whereas Almighty God hath created the mind free; that all attempts to influence it by temporal punishments or burthens, or by civil incapacitations, tend only to beget habits of hypocrisy and meanness, and are a departure from the plan of the Holy author of our religion, who being Lord

both of body and mind, yet chose not to propagate it by coercions on either, as was in his Almighty power to do; that the impious presumption of legislators and rulers, civil as well as ecclesiastical, who being themselves but fallible and uninspired men, have assumed dominion over the faith of others, setting up their own opinions and modes of thinking as the only true and infallible, and as such endeavouring to impose them on others, hath established and maintained false religions over the greatest part of the world, and through all time; that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical; that even the forcing him to support this or that teacher of his own religious persuasion, is depriving him of the comfortable liberty of giving his contributions to the particular pastor whose morals he would make his pattern, and whose powers he feels most persuasive to righteousness, and is withdrawing from the ministry those temporary rewards, which proceeding from an approbation of their personal conduct, are an additional incitement to earnest and unremitting labours for the instruction of mankind; that our civil rights have no dependence on our religious opinions, any more than on our opinions in physics or geometry; that therefore the proscribing any citizen as unworthy the public confidence by laying upon him an incapacity of being called to offices of trust and emolument, unless he profess or renounce this or that religious opinion, is depriving him injuriously of those privileges and advantages to which in common with his fellow-citizens he has a natural right; that it tends only to corrupt the principles of that religion it is meant to encourage, by bribing with a monopoly of worldly honours and emoluments, those who will externally profess and conform to it; that though indeed these are criminal who do not withstand such temptation, yet neither are those innocent who lay the bait in their way; that to suffer the civil magistrate to intrude his powers into the field of opinion, and to restrain the profession or propagation of principles on supposition of their ill tendency, is a dangerous fallacy, which at once destroys all religious liberty, because he being of course judge of that tendency will make his opinions the rule of judgment and approve or condemn the sentiments of others only as they shall square with or differ from his own; that it is time enough for the rightful purposes of civil government, for its officers to interfere when principles break out into overt acts against peace and good order; and finally, that truth is great and will prevail if left to herself, that she is the proper and sufficient antagonist to error, and has nothing to fear from the conflict, unless by human interposition disarmed of her natural weapons, free argument and debate, errors ceasing to be dangerous when it permitted freely to contradict them.

II. *Be it enacted by the General Assembly*, that no man shall be compelled to frequent or support any religious worship, place or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess, and by argument to maintain, their opinion in matters of religion, and that the same shall in no wise diminish, enlarge or affect their civil capacities.

III. And though we well know that this assembly, elected by the people for the ordinary purposes of legislation only, have no power to restrain the acts of succeeding assemblies, constituted with powers equal to our own, and that therefore to declare this act to be irrevocable would be of no effect in law; yet as we are free to declare, and do declare, that the rights hereby asserted are of the natural rights of mankind, and that if any act shall hereafter be passed to repeal the present, or to narrow its operation, such act will be an infringement of natural right.

THE LAND ORDINANCES OF 1785 AND 1787

THE LAND ORDINANCES of May, 1785, and July, 1787, are probably the most important work of the Confederation Congress. The first set the physical pattern for the survey and disposal of public lands; the second laid the foundation for the expansion of republican government across a continent. Together, they hint at the course to be taken by future Congresses under the Constitution which was being drafted even while the Ordinance of 1787 was being enacted.

When the thirteen states were confronted by the necessity of forming a permanent league, western land claims were one of the greatest obstacles to union, for there could be no equality between states with definite western boundaries on the one hand and states

whose charters gave them the right to land as far west as the Mississippi, on the other. Congress suggested that the separate states cede their claims to the "United States in Congress assembled." In March, 1781, New York offered to cede her western claims; and New York's example was followed by Virginia, Massachusetts, and Connecticut. Thus, by 1784, Congress was possessed of a colonial domain and the problems that went with it.

The Indian problem was partly solved by treaty with the Iroquois and the tribes of the Ohio country, but the western posts were still in British hands and, more immediately, the territory in Congress's possession needed regulation. In spite of law, squatters had settled north of the Ohio and speculators were active in the territory. It was necessary to decide on disposition of the land and also to organize some form of republican government for the area.

Jefferson was appointed to head both committees and it was he who outlined a scheme of survey as well as a plan for government. He proposed that sixteen states be laid out on the national domain. When Congress offered any of this territory for sale, the settlers were to establish a temporary government, using the constitution and laws of one of the original states as model. When the land numbered 20,000 inhabitants, these might hold a convention to establish a permanent constitution and send a delegate, who might speak but not vote in Congress. As soon as the population equaled that of the least numerous of the thirteen original states, the new state might be admitted to Congress on equal terms with the old; on the other hand, it was bound to remain part of the United States forever, subject to the general government in the same manner as the original states, liable for a portion of the federal debt, as well as to maintain a republican form of government and to end slavery after 1800. Except for the classical names Jefferson had assigned the new territory, and his prohibition of slavery, the Congress accepted the report of Jefferson's committee.

In 1787, at the urging of Manasseh Cutler and his associates in the Ohio Company, which was negotiating for the purchase of a large tract of land in the Muskingum country, Congress revised the Ordinance of 1785 to provide a more detailed plan of government and more definite safeguards for the obligation of contracts. Jefferson's original prohibition of slavery was put into the act. Though Congress had only a dubious right to take such action under the Articles of Confederation, the Ordinance of 1787 may be considered one of the happiest of the extralegal master strokes which distinguished this period.

While Jefferson had been considering proper governments for the new federal territories, he had also been concerned with the best means of disposing of these western lands. He was familiar with the Virginia system of locating by headright, under which any man with a warrant for a certain number of acres of land might select his plot on any vacant land he might choose and then have it surveyed and registered. While this plan was flexible and favored the wide-ranging pioneer, it also led to confusion and overlapping of claims, with consequent litigation, as well as to speculative monopoly of the choicest sites. The New England system of granting only surveyed land made for greater surety of title but tended to hamper settlement if survey failed to keep pace with the demand for land.

How Jefferson would have resolved that conflict is uncertain, for he left on his mission to France before the committee had made its final report. He did suggest survey before grant, however, and payment for public land in loan-office certificates—a special variety of the Continental public debt—reduced to their specie value. When the committee made its final report, it retained the basic feature of surveying public land into lots of fixed and uniform area before it was offered for sale. This Ordinance of 1785, with its system of survey before grant and reservation of certain lots for public purposes, contains the fundamental elements of what was to be the United States public-lands

system even after the Homestead Act of 1862 had partially superseded the sale of the public domain.

The texts of the Ordinances used here are from the *Journals of the American Congress* (4 vols., Washington, 1823).

The Ordinance of 1785

AN ORDINANCE FOR ASCERTAINING THE MODE OF DISPOSING OF LANDS IN THE WESTERN TERRITORY

Be it ordained by the United States in Congress assembled, That the said territory, for the purposes of temporary government, be one district, subject, however, to be divided into two districts, as future circumstances may, in the opinion of Congress, make it expedient.

Be it ordained by the authority aforesaid, That the estates, both of resident and non-resident proprietors in the said territory, dying intestate, shall descend to, and be distributed among, their children, and the descendants of a deceased child, in equal parts; the descendants of a deceased child or grandchild to take the share of their deceased parent in equal parts among them: And where there shall be no children or descendants, then in equal parts to the next of kin in equal degree; and, among collaterals, the children of a deceased brother or sister of the intestate shall have, in equal parts among them, their deceased parents' share; and there shall, in no case, be a distinction between kindred of the whole and half-blood; saving, in all cases, to the widow of the intestate her third part of the real estate for life, and one-third part of the personal estate; and this law, relative to descents and dower, shall remain in full force until altered by the legislature of the district. And, until the governor and judges shall adopt laws as hereinafter mentioned, estates in the said territory may be devised or bequeathed by wills in writing, signed and sealed by him or her, in whom the estate may be (being of full age,) and attested by three witnesses; and real estates may be conveyed by lease and release, or bargain and sale, signed, sealed, and delivered by the person, being of full age, in whom the estate may be, and attested by two witnesses, provided such wills be duly proved, and such conveyances be acknowledged, or the execution thereof duly proved, and be recorded within one year after proper magistrates, courts, and registers shall be appointed for that purpose; and personal property may be transferred by delivery; saving, however to the French and Canadian inhabitants, and other settlers of the Kaskaskias, St. Vincents, and the neighboring villages who have heretofore professed themselves citizens of Virginia, their laws and customs now in force among them, relative to the descent and conveyance of property.

Be it ordained by the authority aforesaid, That there shall be appointed, from time to time, by Congress, a governor, whose commission shall continue in force for the term of three years, unless sooner revoked by Congress; he shall reside in the district, and have a freehold estate therein in 1000 acres of land, while in the exercise of his office.

There shall be appointed, from time to time, by Congress, a secretary, whose commission shall continue in force for four years unless sooner revoked; he shall reside in the district, and have a freehold estate therein in 500 acres of land, while in the exercise of his office; it shall be his duty to keep and preserve the acts and laws passed by the legislature, and the public records of the district, and the proceedings of the governor in his Executive department; and transmit authentic copies of such acts and proceedings, every six months, to the Secretary of Congress: There shall also be appointed a court to consist of three judges, any two of whom to form a court, who shall have a common law jurisdiction, and reside in the district, and have each therein a freehold estate in 500 acres of land while in the exercise of their offices; and their commissions shall continue in force during good behavior.

The governor and judges, or a majority of them, shall adopt and publish in the district such laws of the original States, criminal and civil, as may be necessary and best suited to the circumstances of the district, and report them to Congress from time to time: which laws shall be in force in the district until the organization of the General Assembly therein, unless disapproved of by Congress; but, afterwards, the legislature shall have authority to alter them as they shall think fit.

The governor, for the time being, shall be commander-in-chief of the militia, appoint and commission all officers in the same below the rank of general officers; all general officers shall be appointed and commissioned by Congress.

Previous to the organization of the General Assembly, the governor shall appoint such magistrates and other civil officers, in each county or township, as he shall find necessary for the preser-

vation of the peace and good order in the same: After the General Assembly shall be organized, the powers and duties of the magistrates and other civil officers, shall be regulated and defined by the said assembly; but all magistrates and other civil officers, not herein otherwise directed, shall, during the continuance of this temporary government, be appointed by the governor.

For the prevention of crimes and injuries, the laws to be adopted or made shall have force in all parts of the district, and for the execution of process, criminal and civil, the governor shall make proper divisions thereof; and he shall proceed, from time to time, as circumstances may require, to lay out the parts of the district in which the Indian titles shall have been extinguished, into counties and townships, subject, however, to such alterations as may thereafter be made by the legislature.

So soon as there shall be 5000 free male inhabitants of full age in the district, upon giving proof thereof to the governor, they shall receive authority, with time and place, to elect representatives from their counties or townships to represent them in the General Assembly: *Provided*, That, for every 500 free male inhabitants, there shall be one representative, and so on progressively with the number of free male inhabitants, shall the right of representation increase, until the number of representatives shall amount to 25; after which, the number and proportion of representatives shall be regulated by the legislature: *Provided*, That no person be eligible or qualified to act as a representative unless he shall have been a citizen of one of the United States three years, and be a resident in the district, or unless he shall have resided in the district three years; and, in either case, shall likewise hold in his own right, in fee simple, 200 acres of land within the same: *Provided, also*, That a freehold in 50 acres of land in the district, having been a citizen of one of the States, and being resident in the district, or the like freehold and two years residence in the district, shall be necessary to qualify a man as an elector of a representative.

The representatives thus elected, shall serve for the term of two years; and, in case of the death of a representative, or removal from office, the governor shall issue a writ to the county or township for which he was a member, to elect another in his stead, to serve for the residue of the term.

The General Assembly, or Legislature, shall consist of the governor, legislative council, and a house of representatives. The legislative council shall consist of five members, to continue in office five years, unless sooner removed by Congress; any three of whom to be a quorum: and the members of the council shall be nominated and appointed in the following manner, to wit: As soon as representatives shall be elected, the governor shall appoint a time and place for them to meet together; and, when met, they shall nominate ten persons, residents in the district, and each possessed of a freehold in 500 acres of land, and return their names to Congress; five of whom Congress shall appoint and commission to serve as aforesaid; and, whenever a vacancy shall happen in the council, by death or removal from office, the house of representatives shall nominate two persons, qualified as aforesaid, for each vacancy, and return their names to Congress; one of whom Congress shall appoint and commission for the residue of the term. And every five years, four months at least before the expiration of the time of service of the members of council, the said house shall nominate ten persons, qualified as aforesaid, and return their names to Congress; five of whom Congress shall appoint and commission to serve as members of the council five years, unless sooner removed. And the governor, legislative council, and house of representatives, shall have authority to make laws in all cases, for the good government of the district, not repugnant to the principles and articles in this ordinance established and declared. And all bills, having passed by a majority in the house, and by a majority in the council, shall be referred to the governor for his assent; but no bill, or legislative act whatever, shall be of any force without his assent. The governor shall have power to convene, prorogue, and dissolve the General Assembly, when, in his opinion, it shall be expedient.

The governor, judges, legislative council, secretary, and such other officers as Congress shall appoint in the district, shall take an oath or affirmation of fidelity and of office; the governor before the President of Congress, and all other officers before the governor. As soon as a legislature shall be formed in the district, the council and house assembled in one room, shall have authority, by joint ballot, to elect a delegate to Congress, who shall have a seat in Congress, with a right of debating but not of voting during this temporary government.

And, for extending the fundamental principles of civil and religious liberty, which form the basis whereon these republics, their laws and constitutions are erected; to fix and establish those principles as the basis of all laws, constitutions, and governments, which forever hereafter shall be formed in the said territory: to provide also for the establishment of States, and permanent gov-

ernment therein, and for their admission to a share in the federal councils on an equal footing with the original States, at as early periods as may be consistent with the general interest:

It is hereby ordained and declared by the authority aforesaid, That the following articles shall be considered as articles of compact between the original States and the people and States in the said territory and forever remain unalterable, unless by common consent, to wit:

Art. 1st. No person, demeaning himself in a peaceable and orderly manner, shall ever be molested on account of his mode of worship or religious sentiments, in the said territory.

Art. 2d. The inhabitants of the said territory shall always be entitled to the benefits of the writ of *habeas corpus*, and of the trial by jury; of a proportionate representation of the people in the legislature; and of judicial proceedings according to the course of the common law. All persons shall be bailable, unless for capital offences, where the proof shall be evident or the presumption great. All fines shall be moderate; and no cruel or unusual punishments shall be inflicted. No man shall be deprived of his liberty or property, but by the judgment of his peers or the law of the land; and, should the public exigencies make it necessary, for the common preservation, to take any person's property, or to demand his particular services, full compensation shall be made for the same. And, in the just preservation of rights and property, it is understood and declared, that no law ought ever to be made, or have force in the said territory, that shall, in any manner whatever, interfere with or affect private contracts or engagements, *bona fide*, and without fraud, previously formed.

Art. 3d. Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged. The utmost good faith shall always be observed towards the Indians; their lands and property shall never be taken from them without their consent; and, in their property, rights, and liberty, they shall never be invaded or disturbed, unless in just and lawful wars authorized by Congress; but laws founded in justice and humanity, shall, from time to time, be made for preventing wrongs being done to them, and for preserving peace and friendship with them.

Art. 4th. The said territory, and the States which may be formed therein, shall forever remain a part of this confederacy of the United States of America, subject to the Articles of Confederation, and to such alterations therein as shall be constitutionally made; and to all the acts and ordinances of the United States in Congress assembled, conformable thereto. The inhabitants and settlers in the said territory shall be subject to pay a part of the federal debts contracted or to be contracted, and a proportional part of the expenses of government, to be apportioned on them by Congress according to the same common rule and measure by which apportionments thereof shall be made on the other States; and the taxes, for paying their proportion, shall be laid and levied by the authority and direction of the legislatures of the district or districts, or new States, as in the original States, within the time agreed upon by the United States in Congress assembled. The legislatures of those districts or new States, shall never interfere with the primary disposal of the soil by the United States in Congress assembled, nor with any regulations Congress may find necessary for securing the title in such soil to the *bona fide* purchasers. No tax shall be imposed on lands the property of the United States; and, in no case, shall non-resident proprietors be taxed higher than residents. The navigable waters leading into the Mississippi and St. Lawrence, and the carrying places between the same, shall be common highways, and forever free, as well to the inhabitants of the said territory as to the citizens of the United States, and those of any other States that may be admitted into the Confederacy, without any tax, impost, or duty, therefor.

Art. 5th. There shall be formed in the said territory, not less than three nor more than five States; and the boundaries of the States, as soon as Virginia shall alter her act of cession, and consent to the same, shall become fixed and established as follows, to wit: The Western State in the said territory, shall be bounded by the Mississippi, the Ohio, and Wabash rivers; a direct line drawn from the Wabash and Post St. Vincent's, due North, to the territorial line between the United States and Canada; and, by the said territorial line, to the Lake of the Woods and Mississippi. The middle State shall be bounded by the said direct line, the Wabash from Post Vincent's, to the Ohio; by the Ohio, by a direct line, drawn due North from the mouth of the Great Miami, to the said territorial line, and by the said territorial line. The Eastern State shall be bounded by the last mentioned direct line, the Ohio, Pennsylvania, and the said territorial line: *Provided, however*, and it is further understood and declared, that the boundaries of these three States shall be subject so far to be altered, that, if Congress shall hereafter find it expedient, they shall have authority to

form one or two States in that part of the said territory which lies North of an East and West line drawn through the Southerly bend or extreme of lake Michigan. And, whenever any of the said States shall have 60,000 free inhabitants therein, such State shall be admitted, by its delegates, into the Congress of the United States, on an equal footing with the original States in all respects whatever, and shall be at liberty to form a permanent constitution and State government: *Provided*, the constitution and government so to be formed, shall be republican, and in conformity to the principles contained in these articles; and, so far as it can be consistent with the general interest of the confederacy, such admission shall be allowed at an earlier period, and when there may be a less number of free inhabitants in the State than 60,000.

Art. 6th. There shall be neither slavery nor involuntary servitude in the said territory, otherwise than in the punishment of crimes, whereof the party shall have been duly convicted: *Provided, always*, That any person escaping into the same, from whom labor or service is lawfully claimed in any one of the original States, such fugitive may be lawfully reclaimed and conveyed to the person claiming his or her labor or service as aforesaid.

Be it ordained by the authority aforesaid, That the resolutions of the 23d of April, 1784, relative to the subject of this ordinance, be, and the same are hereby, repealed and declared null and void.

The Ordinance of 1787

BE IT ORDAINED by the United States in Congress assembled, that the territory ceded by individual States to the United States, which has been purchased of the Indian inhabitants, shall be disposed of in the following manner:

A surveyor from each state shall be appointed by Congress, or a committee of the States, who shall take an Oath for the faithful discharge of his duty, before the Geographer of the United States, who is hereby empowered and directed to administer the same; and the like oath shall be administered to each chain carrier, by the surveyor under whom he acts.

The Geographer, under whose direction the surveyors shall act, shall occasionally form such regulations for their conduct, as he shall deem necessary; and shall have authority to suspend them for misconduct in Office, and shall make report of the same to Congress, or to the Committee of the States; and he shall make report in case of sickness, death, or resignation of any surveyor.

The Surveyors, as they are respectively qualified, shall proceed to divide the said territory into townships of six miles square, by lines running due north and south, and others crossing these at right angles, as near as may be, unless where the boundaries of the late Indian purchases may render the same impracticable, and then they shall depart from this rule no farther than such particular circumstances may require; and each surveyor shall be allowed and paid at the rate of two dollars for every mile, in length, he shall run, including the wages of chain carriers, markers, and every other expense attending the same.

The first line, running north and south as aforesaid, shall begin on the river Ohio, at a point that shall be found to be due north from the western termination of a line, which has been run as the southern boundary of the state of Pennsylvania; and the first line, running east and west, shall begin at the same point, and shall extend throughout the whole territory. Provided, that nothing herein shall be construed, as fixing the western boundary of the state of Pennsylvania. The geographer shall designate the townships, or fractional parts of townships, by numbers progressively from south to north; always beginning each range with number one; and the ranges shall be distinguished by their progressive numbers to the westward. The first range, extending from the Ohio to the lake Erie, being marked number one. The Geographer shall personally attend to the running of the first east and west line; and shall take the latitude of the extremes of the first north and south line, and of the mouths of the principal rivers.

The lines shall be measured with a chain; shall be plainly marked by chaps on the trees, and exactly described on a plat; whereon shall be noted by the surveyor, at their proper distances, all mines, salt springs, salt licks and mill seats, that shall come to his knowledge, and all water courses, mountains and other remarkable and permanent things, over and near which such lines shall pass, and also the quality of the lands.

The plats of the townships respectively, shall be marked by subdivisions into lots of one mile square, or 640 acres, in the same direction as the external lines, and numbered from 1 to 36; always beginning the succeeding range of the lots with

the number next to that with which the preceding one concluded. And where, from the causes before mentioned, only a fractional part of a township shall be surveyed, the lots, protracted thereon, shall bear the same numbers as if the township had been entire. And the surveyors, in running the external lines of the townships, shall, at the interval of every mile, mark corners for the lots which are adjacent, always designating the same in a different manner from those of the townships.

The geographer and surveyors shall pay the utmost attention to the variation of the magnetic needle; and shall run and note all lines by the true meridian, certifying, with every plat, what was the variation at the times of running the lines thereon noted.

As soon as seven ranges of townships, and fractional parts of townships, in the direction from south to north, shall have been surveyed, the geographer shall transmit plats thereof to the board of treasury, who shall record the same, with the report, in well bound books to be kept for that purpose. And the geographer shall make similar returns, from time to time, of every seven ranges as they may be surveyed. The Secretary at War shall have recourse thereto, and shall take by lot therefrom, a number of townships, and fractional parts of townships, as well from those to be sold entire as from those to be sold in lots, as will be equal to one seventh part of the whole of such seven ranges, as nearly as may be, for the use of the late continental army; and he shall make a similar draught, from time to time, until a sufficient quantity is drawn to satisfy the same, to be applied in manner hereinafter directed. The board of treasury shall, from time to time, cause the remaining numbers, as well those to be sold entire, as those to be sold in lots, to be drawn for, in the name of the thirteen states respectively, according to the quotas in the last preceding requisition on all the states; provided, that in case more land than its proportion is allotted for sale, in any state, at any distribution, a deduction be made therefor at the next.

The board of treasury shall transmit a copy of the original plats, previously noting thereon, the townships, and fractional parts of townships, which shall have fallen to the several states, by the distribution aforesaid, to the Commissioners of the loan office of the several states, who, after giving notice of not less than two nor more than six months, by causing advertisements to be posted up at the court houses, or other noted places in every county, and to be inserted in one newspaper, published in the states of their residence respectively, shall proceed to sell the townships, or fractional parts of townships, at public vendue, in the following manner, viz: The township, or fractional part of a township, N 1, in the first range, shall be sold entire; and N 2, in the same range, by lots; and thus in alternate order through the whole of the first range. The township, or fractional part of a township, N 1, in the second range, shall be sold by lots; and N 2, in the same range, entire; and so in alternate order through the whole of the second range; and the third range shall be sold in the same manner as the first, and the fourth in the same manner as the second, and thus alternately throughout all the ranges; provided, that none of the lands, within the said territory, be sold under the price of one dollar the acre, to be paid in specie, or loan office certificates, reduced to specie value, by the scale of depreciation, or certificates of liquidated debts of the United States, including interest, besides the expense of the survey and other charges thereon, which are hereby rated at thirty six dollars the township, in specie, or certificates as aforesaid, and so in the same proportion for a fractional part of a township, or of a lot, to be paid at the time of sales; on failure of which payment, the said lands shall again be offered for sale.

There shall be reserved for the United States out of every township, the four lots, being numbered 8, 11, 26, 29, and out of every fractional part of a township, so many lots of the same numbers as shall be found thereon, for future sale. There shall be reserved the lot N 16, of every township, for the maintenance of public schools, within the said township; also one third part of all gold, silver, lead and copper mines, to be sold, or otherwise disposed of as Congress shall hereafter direct. . . .

The commissioners of the loan offices respectively, shall transmit to the board of treasury every three months, an account of the townships, fractional parts of townships, and lots committed to their charge; specifying therein the names of the persons to whom sold, and the sums of money or certificates received for the same; and shall cause all certificates by them received, to be struck through with a circular punch; and they shall be duly charged in the books of the treasury, with the amount of the moneys or certificates, distinguishing the same, by them received as aforesaid.

If any township, or fractional part of a township or lot, remains unsold for eighteen months after the plat shall have been received, by the commissioners of the loan office, the same shall be returned to the board of treasury, and shall be sold in such manner as Congress may hereafter direct.

And whereas Congress, by their resolutions of

September 16 and 18 in the year 1776, and the 12th of August, 1780, stipulated grants of land to certain officers and soldiers of the late continental army, and by the resolution of the 22d September, 1780, stipulated grants of land to certain officers in the hospital department of the late continental army; for complying therefore with such engagements, Be it ordained, That the secretary at war, from the returns in his office, or such other sufficient evidence as the nature of the case may admit, determine who are the objects of the above resolutions and engagements, and the quantity of land to which such persons or their representatives are respectively entitled, and cause the townships, or fractional parts of townships, hereinbefore reserved for the use of the late continental army, to be drawn for in such manner as he shall deem expedient, to answer the purpose of an impartial distribution. He shall, from time to time, transmit certificates to the commissioners of the loan offices of the different states, to the lines of which the military claimants have respectively belonged, specifying the name and rank of the party, the terms of his engagement and time of his service, and the division, brigade, regiment or company to which he belonged, the quantity of land he is entitled to, and the township, or fractional part of a township, and range out of which his portion is to be taken.

The commissioners of the loan offices shall execute deeds for such undivided proportions in manner and form herein before-mentioned, varying only in such a degree as to make the same conformable to the certificate from the Secretary at War.

Where any military claimants of bounty in lands shall not have belonged to the line of any particular state, similar certificates shall be sent to the board of treasury, who shall execute deeds to the parties for the same.

The Secretary at War, from the proper returns, shall transmit to the board of treasury, a certificate, specifying the name and rank of the several claimants of the hospital department of the late continental army, together with the quantity of land each claimant is entitled to, and the township, or fractional part of a township, and range out of which his portion is to be taken; and thereupon the board of treasury shall proceed to execute deeds to such claimants.

The board of treasury, and the commissioners of the loan offices in the states, shall, within 18 months, return receipts to the secretary at war, for all deeds which have been delivered, as also all the original deeds which remain in their hands for want of applicants, having been first recorded; which deeds so returned, shall be preserved in the office, until the parties or their representatives require the same.

And be it further Ordained, That three townships adjacent to lake Erie be reserved, to be hereafter disposed of by Congress, for the use of the officers, men, and others, refugees from Canada, and the refugees from Nova Scotia, who are or may be entitled to grants of land under resolutions of Congress now existing, or which may hereafter be made respecting them, and for such other purposes as Congress may hereafter direct.

And be it further Ordained, That the towns of Gnadenhutten, Schoenbrun and Salem, on the Muskingum, and so much of the lands adjoining to the said towns, with the buildings and improvements thereon, shall be reserved for the sole use of the Christian Indians, who were formerly settled there, or the remains of that society, as may, in the judgment of the Geographer, be sufficient for them to cultivate.

Saving and reserving always, to all officers and soldiers entitled to lands on the northwest side of the Ohio, by donation or bounty from the commonwealth of Virginia, and to all persons claiming under them, all rights to which they are so entitled, under the deed of cession executed by the delegates for the state of Virginia, on the first day of March, 1784, and the act of Congress accepting the same: and to the end, that the said rights may be fully and effectually secured, according to the true intent and meaning of the said deed of cession and act aforesaid, Be it Ordained, that no part of the land included between the rivers called little Miami and Sciota, on the northwest side of the river Ohio, be sold, or in any manner alienated, until there shall first have been laid off and appropriated for the said Officers and Soldiers, and persons claiming under them, the lands they are entitled to, agreeably to the said deed of cession and act of Congress accepting the same.

THE UNITED STATES AND THE WORLD

TWO FOREIGN VIEWS OF THE AMERICAN REVOLUTION

EVEN BEFORE the American Revolution was over, many Europeans took to regarding it as one of the great moral events of their time. The American people were to be "the hope of the world," wrote the great Frenchman Anne Robert Jacques Turgot (1727–1781) to the Englishman Richard Price (1723–1791). Price, who had always been a good friend of America, printed Turgot's letter in his own book, *Observations on the Importance of the American Revolution.*

In effect, Price based his book on Turgot's letter as a text. Agreeing with Turgot's optimistic view, the Englishman went on to lecture the American people on the need to improve their government lest they lose the opportunity to help emancipate all mankind. That Price should have seen such potentialities in the discordant nation of 1785 is not too surprising, for he had long been a friend of Franklin and a close student of American affairs. But Price's prescription for American economic wellbeing was somewhat naïve. His views on American isolationism are here presented; they represent a strain that runs throughout the whole of American thinking on our relations with other peoples.

Both texts are reprinted from the original edition of Price's book, published in London in 1785.

The American Revolution

BY ROBERT JACQUES TURGOT

Paris 22 March, 1778

To DR. PRICE, *London*

. . . I have been led to judge thus by the infatuation of your people in the absurd project of subduing America, till the affair of Burgoyne began to open their eyes; and by the system of monopoly and exclusion which has been recommended by all your writers on Commerce, (except Mr. Adam Smith and Dean Tucker); a system which has been the true source of your separation from your Colonies. I have also been led to this opinion by all your controversial writings upon the questions which have occupied your attention these twenty years, and in which, till your observations appeared, I scarce recollect to have read one that took up these questions on their proper ground. I cannot conceive how a nation which has cultivated every branch of natural knowledge with such success, should have made so little progress in the most interesting of all sciences, that of the public good: A science, in which the liberty of the Press, which she alone enjoys, ought to have given her a prodigious advantage over every other nation in Europe. Was it national pride which prevented you from profiting by this advantage? Or was it, because you were not altogether in so bad a condition as other nations, that you have imposed upon yourselves in your speculations so far as to be persuaded that your arrangements were compleat? Is it party spirit and a desire of being supported by popular opinion which has retarded your progress, by inducing your political writers to treat as vain Metaphysics all those speculations which aim at establishing the rights and true interests of nations and individuals upon fixed principles. How comes it that you are almost the first of the writers of your country, who has given a just idea of liberty, and shewn the falsity of the

notion so frequently repeated by almost all Republican Writers, "that liberty consists in being subject only to the laws," as if a man could be free while oppressed by an unjust law. This would not be true, even if we could suppose that all the laws were the work of an assembly of the whole nation; for certainly every individual has his rights, of which the nation cannot deprive him, except by violence and an unlawful use of the general power. Though you have attended to this truth and have explained yourself upon this head, perhaps it would have merited a more minute explanation, considering how little attention is paid to it even by the most zealous friends of liberty.

It is likewise extraordinary that it was not thought a trivial matter in England to assert "that one nation never can have a right to govern another nation"—"that a government where such a principle is admitted can have no foundation but that of force, which is equally the foundation of robbery and tyranny"—"and that the tyranny of a people is the most cruel and intolerable, because it leaves the fewest resources to the oppressed." —A despot is restrained by a sense of his own interest. He is checked by remorse or by the public opinion. But the multitude never calculate. The multitude are never checked by remorse, and will even ascribe to themselves the highest honour when they deserve only disgrace.

What a dreadful commentary on your book are the events which have lately befallen the English nation?——For some months they have been running headlong to ruin.—The fate of America is already decided—Behold her independent beyond recovery.—But will She be free and happy?—Can this new people, so advantageously placed for giving an example to the world of a constitution under which man may enjoy his rights, freely exercise all his faculties, and be governed only by nature, reason and justice—Can they form such a Constitution?—Can they establish it upon a neverfailing foundation, and guard against every source of division and corruption which may gradually undermine and destroy it? . . .

It is impossible not to wish ardently that this people may attain to all the prosperity of which they are capable. They are the *hope* of the world. They may become a *model* to it. They *may* prove by fact that men can be free and yet tranquil; and that it is in their power to rescue themselves from the chains in which tyrants and knaves of all descriptions have presumed to bind them under the pretence of the public good. They may exhibit an example of *political* liberty, of *religious* liberty, of *commercial* liberty, and of industry. The *Asylum* they open to the oppressed of all nations should console the earth. The ease with which the injured may escape from oppressive governments, will compel Princes to become just and cautious; and the rest of the world will gradually open their eyes upon the empty illusions with which they have been hitherto cheated by politicians. But for this purpose *America* must preserve *herself* from these illusions; and take care to avoid being what your ministerial writers are frequently saying She *will* be—an image of our *Europe*—a mass of divided powers contending for territory and commerce, and continually cementing the slavery of the people with their own blood.

All enlightened men—All the friends of humanity ought at this time to unite their lights to those of the *American* sages, and to assist them in the great work of legislation. This, sir, would be a work worthy of you. I wish it was in my power to animate your zeal in this instance. If I have in this letter indulged too free an effusion of my sentiments, this has been my only motive; and it will, I hope, induce you to pardon me for tiring you. I wish indeed that the blood which has been spilt, and which will continue for some time to be spilt in this contest, may not be without its use to the human race.

Our two nations are about doing much harm to each other, and probably without the prospect to either of any real advantage. An increase of debts and public burthens, (perhaps a national bankruptcy), and the ruin of a great number of individuals, will prove the result. England seems to me to be more likely to suffer by these evils, and much nearer to them, than France.—If instead of going to war, you had at the commencement of your disputes endeavoured to retreat with a good grace; if your Statesmen had then consented to make those concessions, which they will infallibly be obliged to make at last; if the national opinion would have permitted your government to anticipate events which might have been foreseen; if, in short, you had immediately yielded to the independence of America without entering into any hostilities; I am firmly persuaded your nation would have lost nothing.—But you will *now* lose what you have already expended, and what you are still to expend; you will experience a great diminution of your commerce for some time, and great interior commotions, if driven to a bankruptcy; and, at any rate, a great diminution of weight in foreign politics. But this last circumstance I think of little consequence to the real happiness of a people; for I cannot agree with the *Abbe Raynal* in your motto. I do not believe all this will make you a contemptible nation

or throw you into slavery.—On the contrary; your misfortunes may have the effect of a necessary amputation. They are perhaps the only means of saving you from the gangrene of luxury and corruption. And if they should terminate in the amendment of your constitution, by restoring annual elections, and distributing the right of suffrages for representation so as to render it more equal and better proportioned to the interests of the represented, you will perhaps gain as much as America by this revolution; for you will preserve your liberty, and with your liberty, and by means of it, all your other losses will be speedily repaired.

By the freedom with which I have opened myself to you, sir, upon these delicate points, you will judge of the esteem with which you have inspired me; and the satisfaction I feel in thinking there is some resemblance between our sentiments and views. I depend on your confining this confidence to yourself. I even beg that you will not be particular in answering me by the Post, for your letter will certainly be opened at our Post-Offices, and I shall be found much too great a friend to liberty for a minister, even though a discarded minister.

I have the honour to be with all possible respect,

Sir,
Your most humble,
and most obedient Servant,
Turgot

Observations on the Importance of the American Revolution

BY RICHARD PRICE

OF THE IMPORTANCE OF THE REVOLUTION WHICH HAS ESTABLISHED THE INDEPENDENCE OF THE UNITED STATES

HAVING, from pure conviction, taken a warm part in favour of the *British* colonies (now the United States of America) during the late war; and been exposed, in consequence of this, to *much* abuse and *some* danger; it must be supposed that I have been waiting for the issue with anxiety——I am thankful that my anxiety is removed; and that I have been spared to be a witness to that very issue of the war which has been all along the object of my wishes. With heart-felt satisfaction, I see the revolution in favour of universal liberty which has taken place in *America;*—a revolution which opens a new prospect in human affairs, and begins a new æra in the history of mankind;——a revolution by which *Britons* themselves will be the greatest gainers, if wise enough to improve properly the check that has been given to the despotism of their ministers, and to catch the flame of virtuous liberty which has saved their American brethren.

The late war, in its *commencement and progress*, did great good by disseminating just sentiments of the rights of mankind, and the nature of legitimate government; by exciting a spirit of resistance to tyranny which has emancipated one *European* country, and is likely to emancipate others; and by occasioning the establishment in *America* of forms of government more equitable and more liberal than any that the world has yet known. But, in its *termination*, the war has done still greater good by preserving the new governments from that destruction in which they must have been involved, had Britain conquered; by providing, in a sequestered continent possessed of many singular advantages, a place of refuge for oppress men in every region of the world; and by laying the foundation there of an empire which may be the seat of liberty, science and virtue, and from whence there is reason to hope these sacred blessings will spread, till they become universal, and the time arrives when kings and priests shall have no more power to oppress, and that ignominious slavery which has hitherto debased the world is exterminated. I therefore, think I see the hand of Providence in the late war working for the general good. . . .

But among the events in modern times tending to the elevation of mankind, there are none probably of so much consequence as the recent one which occasions these observations. Perhaps, I do not go too far when I say that, next to the introduction of Christianity among mankind, the American revolution may prove the most important step in the progressive course of human improvement. It is an event which may produce a general diffusion of the principles of humanity, and become the means of setting free mankind from the shackles of superstition and tyranny, by leading them to see and know "that nothing is *fundamental* but impartial enquiry, an honest mind, and virtuous practice——that state policy ought not to be applied to the support of speculative opinions and formularies of faith."—— "That the members of a civil community are

confederates, not *subjects;* and their rulers, *servants*, not *masters.*——And that all legitimate government consists in the dominion of equal laws made with common consent; that is, in the dominion of men over *themselves;* and not in the dominion of communities over communities, or of any men over other men."

Happy will the world be when these truths shall be every where acknowledged and practised upon. Religious bigotry, that cruel demon, will be then laid asleep. Slavish governments and slavish Hierarchies will then sink; and the old prophecies be verified, "that the last universal empire upon earth shall be the empire of reason and virtue, under which the gospel of peace (better understood) *shall have free course and be glorified, many will run to and fro and knowledge be increased, the wolf dwell with the lamb and the leopard with the kid, and nation no more lift up a sword against nation.*"

It is a conviction I cannot resist, that the independence of the *English* colonies in America is one of the steps ordained by Providence to introduce these times; and I can scarcely be deceived in this conviction, if the United States should escape some dangers which threaten them, and will take proper care to throw themselves open to future improvements, and to make the most of the advantages of their present. . . .

Of Trade, Banks, and Paper Credit

Foreign trade has, in some respects, the most useful tendency. By creating an intercourse between distant kingdoms, it extends benevolence, removes local prejudices, leads every man to consider himself more as a citizen of the world than of any particular State, and, consequently, checks the excesses of that *Love of our Country* * which has been applauded as one of the noblest, but which, *really*, is one of the most *destructive* principles in human nature.——Trade also, by enabling every country to draw from other countries conveniencies and advantages which it cannot find within itself, produces among nations a sense of mutual dependence, and promotes the general improvement.—But there is no part of mankind to which these uses of trade are of less consequence than the *American* States. They are spread over a great continent, and make a world within themselves. The country they inhabit includes soils and climates of all sorts, producing not only every *necessary*, but every *convenience* of life. And the vast rivers and wide-spread lakes which intersect it, create such an inland communication between its different parts, as is unknown in any other region of the earth. They possess then within themselves the best means of the most profitable traffic, and the amplest scope for it. Why should they look much farther? What occasion have they for being anxious about pushing *foreign* trade; or even about raising a great naval force?—Britain, indeed, consisting as it does of *unarmed* inhabitants, and threatened as it is by ambitious and powerful neighbours, cannot hope to maintain its existence long after becoming open to invasion by losing its naval superiority.——But this is not the case with the American States. They have no powerful neighbours to dread. The vast Atlantic must be crossed before they can be attacked. They are all a well-trained *militia;* and the successful resistance which, in their infancy and without a naval force, they have made to the invasion of the first *European* power, will probably discourage and prevent all future invasions. Thus singularly happy, why should they seek connexions with *Europe*, and expose themselves to the danger of being involved in its quarrels?—What have they to do with its politics?—Is there any thing very important to them which they can draw from thence—except INFECTION?——Indeed, I tremble when I think of that rage for trade which is likely to prevail among them. It may do them infinite mischief. All nations are spreading snares for them, and courting them to a dangerous intercourse. Their best interest requires them to guard themselves by all proper means; and, particularly, by laying heavy duties on importations. But in no case will any means succeed unless aided by MANNERS. In this instance, particularly, there is reason to fear that an increasing passion for foreign frippery

* The love of our country is then only a noble passion when it engages us to promote the *internal* happiness of our country, and to defend its rights and liberties against domestic and foreign invasion, maintaining at the same time an equal regard to the rights and liberties of other countries. But this has not been its most common effects. On the contrary, it has in general been nothing but a spirit of rivalship between different communities, producing contention and a thirst for conquest and dominion.—What is his *country* to a *Russian*, a *Turk*, a *Spaniard*, &c. but a spot where he enjoys no right, and is disposed of by owners as if he was a beast? And what is his *love* to his country but an attachment to degradation and slavery?—What was the love of their country among the *Jews* but a wretched partiality for themselves and a proud contempt for other nations? Among the *Romans* also what was it, however great in many of its exertions, but a principle holding together a band of robbers in their attempts to crush all liberty but their own?—Christianity has wisely omitted to recommend this principle. Had it done this, it would have countenanced a vice among mankind.—It has done what is infinitely better—It has recommended UNIVERSAL BENEVOLENCE.

will render all the best regulations ineffectual. And should this happen, that simplicity of character, that manliness of spirit, that disdain of tinsel in which true dignity consists, will disappear. Effeminacy, servility and venality will enter; and liberty and virtue be swallowed up in the gulph of corruption. Such may be the course of events in the American States. Better *infinitely* will it be for them to consist of bodies of plain and honest farmers, than of opulent and splendid merchants. ——Where in these States do the purest manners prevail? Where do the inhabitants live most on an equality, and most at their ease? Is it not in those inland parts where agriculture gives health and plenty, and trade is scarcely known?—— Where, on the contrary, are the inhabitants most selfish, luxurious, loose, and vicious; and at the same time most unhappy? Is it not along the sea coasts, and in the great towns, where trade flourishes and merchants abound?——So striking is the effect of these different situations on the vigour and happiness of human life, that in the one population would languish did it receive no aid from emigrations; while in the other it increases to a degree scarcely ever before known.

But to proceed to some observations of a different nature——

The united States have, I think, particular reason to dread the following effects of foreign trade.

By increasing importation to feed luxury and gratify prodigality, it will carry out their coin, and occasion the substitution of a delusive paper currency; the consequence of which will be, that *ideal* wealth will take place of *real*, and their security come to depend on the strength and duration of a *Bubble*.——I am very sensible that paper credit is one of the greatest of all conveniencies; but this makes it likewise one of the greatest of all temptations. A public Bank, (while it can circulate its bills) facilitates commerce, and assists the exertions of a State in proportion to its credit. But when it is not carefully restricted and watched; when its emissions exceed the coin it can command, and are carried near the utmost length that the confidence of the public will allow; and when, in consequence of this, its permanence comes to depend on the permanence of public credulity— In these circumstances, a BANK, though it may for a time (that is, while a balance of trade too unfavourable does not occasion a run, and no events arise which produce alarm) answer all the ends of a MINE from which millions may be drawn in a minute; and, by filling a kingdom with cash, render it capable of sustaining *any* debts, and give it a kind of OMNIPOTENCE.—In such circumstances, I say, notwithstanding these temporary advantages, a public BANK must *at last* prove a great calamity; and a kingdom so supported, at the very time of its greatest exertions, will be only striving more violently to increase the horror of an approching convulsion.

The united States have already verified some of these observations, and felt in some degree the consequences to which I have alluded. They have been carried through the war by an emission of paper which had no solid support, and which now has lost all value. It is indeed surprising that, being secured on no fund and incapable of being exchanged for coin, it should ever have obtained a currency, or answered any important purpose.

Unhappily for *Britain*, it has used the means of giving more stability to its paper-credit, and been enabled by it to support expences greater than any that have been yet known, and to contract a debt which now *astonishes*, and may hereafter produce a catastrophe that will *terrify* the world. —A longer duration of the late war would have brought on this catastrophe immediately. The PEACE has put it off *for the present*. God grant, if still possible, that measures may be adopted which shall put it off *for ever*.

Part Three

ESTABLISHING THE NEW REPUBLIC

INTRODUCTION

1. THE CRITICAL PERIOD

DESPITE INTERNAL DERANGEMENTS and the sacrifices it demands, a period of war usually produces economic prosperity. The War for American Independence was no exception. The stimulus given to manufactures, the opening of trade in new areas, speculative booms in land marched side by side with currency inflation. Fortunes accumulated and new business ventures were launched. But the end of the war brought contraction in its train. A price deflation occurred, the high profits of businesses serving military requirements ceased, and English ships once more began to throng American ports. Importers profited, but domestic manufacturers began to feel the pinch of a competition that in many areas was distinctly unfair. Business conditions continued spotty during much of the 1780s; there was a real depression in 1785–86.

Agricultural Distress. The independent and sovereign thirteen states did little to improve matters. To raise revenues and also to protect their own businessmen, the states wrote tariff acts. Massachusetts, New York, and Pennsylvania were the leaders in this movement. As the recession continued, they raised their rates, hoping that by making many duties prohibitory they would be able to extract concessions from foreign countries. The result was high prices for goods needed by farmers, while the prices they received fell sharply as a result of agricultural overexpansion. A typical "agricultural scissors" had developed, and the farmers—always a debtor interest—were caught between the blades.

Notably in 1785–86, agrarian distress was acute and farmers sought the customary reliefs. They pressed legislatures for new fiat money issues and the passage of moratoriums, or stay laws, to prevent land mortgage foreclosures. In many of the states, the legislatures yielded and new paper bills began to make their appearance. This was particularly true of Rhode Island and North Carolina. It is important to observe, however, that the legislatures of Connecticut, Massachusetts, New Hampshire, Delaware, Maryland, and Virginia did not bow before this clamor. Moreover, the financing of the Confederation was in bad shape. The Confederation did not pursue the earlier course of a paper inflation. It was able to sell public lands and to borrow funds in Amsterdam. But the niggardliness of the states, which refused to honor the requisitions drawn upon them, made impossible the payment of interest on domestic and foreign loans.

Economic Progress. All this does not mean that economic chaos threatened the young America. The fact is, while the postwar years were ones of difficult readjustment, in many areas the American economy was blazing new trails. A good deal of new construction was taking place in the urban communities. There was a real boom in transportation—road building, river-improvement projects, laying out of stagecoach routes, the erection of inns. Important new companies in iron, woolens, sailcloth, glass, and paper made their appearance. Interest rates were high, both because of legitimate requirements for capital and the formation of land companies and other speculative ventures. When new banks were formed in Philadelphia, Boston, and New York, businessmen, realizing the importance to them of agencies for deposit, discount, and the handling of foreign exchange, hastened to subscribe for stock in specie.

Reference has been made earlier to the fact

that the English Mercantilist System had been very reluctant to charter companies for business purposes in colonial America; indeed, during the whole period of imperial rule, not more than six such charters had been granted. With freedom, the bars were down. Eleven charters were requested and issued by state legislatures between 1781 and 1785; 22 between 1786 and 1790; and 114 between 1791 and 1795. A sign of the times—of both freedom from mercantilist restraint and the appearance of new business endeavors—was the establishment of commercial banking. The Bank of North America, with the aid of the Confederation Congress (but with capitalization largely subscribed by private persons), opened its doors in Philadelphia in 1781. In 1784, two additional commercial banks, the Bank of New York at New York and the Massachusetts Bank at Boston, were set up. They were all immediately successful; and, of course, the assistance they rendered businessmen was incalculable.

In the field of foreign trade new vistas were being opened up. To compensate for the prohibitions encountered in the direct trade with England and the British West Indies, there were the concessions offered by the European powers. Commercial treaties were written with Holland, Prussia, and Sweden. France threw open her West India Islands to American ships in 1784; Spain made Havana virtually a free port; the Danes and the Dutch permitted a two-way traffic to operate without interference in the same region. Despite British limitations (the chief of which was the ban imposed on American shipping), the West India trade did not fall off nearly as sharply as we have been led to believe. The commercial relations with Holland became particularly significant. More and more the Dutch began to take those American exports which formerly could be moved into England alone; as a result, before the 1780s were over, the Dutch-American export trade was half as great as the English-American trade. In fact, the balance of payments favored Americans so that Dutch specie came overseas.

Equally important were the new markets being tapped in northern Europe and the Middle and Far East. The India and China trades, particularly, were to become important. *The Empress of China* sailed from New York in 1784 for the South China Sea; in 1785 the *Grand Turk* left Salem on a similar voyage; two years later Boston merchants outfitted a vessel to develop the great triangular trade between New England, the American northwest coast on the Pacific, and China. Before long, American masters and supercargoes knew every port and inlet across the vast stretch of Eastern sea from Canton to Madagascar. They carried mixed cargoes to European ports, and there they picked up consignments for Aden, Muscat, Madras, Calcutta, and the islands of the Eastern archipelagoes. Thence home with coffee, sugar, pepper, tea, allspice, textiles, and chinaware. Or they might sail west with trade goods for the Indians on the northern Pacific coast. Here, they acquired otter and seal furs and carried them direct to China or, a little later on, stopped off first at the Hawaiian Islands for teakwood. Once more, as a result, the Boston and New York ports were filled with ships, and their warehouses bulged with products of the East.

Radical Alarums. The writing of the Constitution is to be seen in this setting. The depression of 1785–86 filled businessmen—land speculators, merchants, the holders of the revolutionary debts, bankers—with anxiety and apprehension. The reappearance of agrarian populism with its leveling tendencies and its customary economic programs further threatened confidence. What was required, in brief, was a greater measure of political stability than existed under either the Confederation or the thirteen sovereign states. For the protection of large propertied interests at home and abroad—the most important general desideratum being the establishment and maintenance of the public credit of the country—a powerful central union was imperative. This would have the following advantages: It would permit the persons engaged in international trade to operate

with a sound currency and obtain funds in foreign markets. It would permit the wild-land jobbers to realize on their paper investments. It would make possible the pacification of the West, so that the domestic market could be expanded. It would protect debts and contracts—rights, it will be recalled, that the Confederation did not possess. In this last connection, the public debts would be safeguarded and interest and principal paid. It would write commercial treaties with foreign nations and make possible the defense of our shipping abroad. It would create a single tariff system, for revenue and protection. It would extend the horizons of business on a national scale by the granting of national charters to manufacturing, banking, and transportation companies.

The restless activity of leveling agrarians in 1785–86 sharpened these considerations. (We find similar manifestations later in American annals—in 1888–96 and 1931–32.) In many areas the small men of affairs, particularly the commercial farmers, were equally hard hit by the depression. They converged on legislatures and courts. Within a short time, at least seven states issued new bills of credit. Judges, foreclosing properties and jailing debtors, were denounced and even threatened physically in New York, New Jersey, and North Carolina. Programs were being drawn up in legislatures to abolish imprisonment for debt, to enact mortgage-moratorium laws, and to write down the face values of mortgages themselves. In Rhode Island, in particular, these forces were in control. They were threatening the constituted authorities in Massachusetts and New Hampshire.

Conservative Programs. It may be said that these movements brought matters to a head. The plans of conservatives in Massachusetts and New Hampshire to stabilize public and private financial arrangements—to pay off the revolutionary debts out of higher property taxes, to hold a tight rein on paper-money issues, to force the settlement of debts and mortgages—raised a storm. Back-country agrarians replied with demands for stay laws, the scaling down of debts, and the emission of new legal tenders. They were not listened to. Armed troops appeared; courts were threatened. In central Massachusetts, in 1786, such a body of farmers, led by Captain Daniel Shays, converged on the courts and apparently had in mind, as well, the forcing of their program on the legislature, by duress if necessary. Their plans called for the seizure of arms and munitions from government stores. Now the commercial seaboard took alarm. A militia was hastily gathered, financed from private subscriptions, and sent against Shays. The farmers retired northward and before the winter was over were disbanded and disarmed.

News of the encounter rang through the country. The full significance of the threat was understood by men of large means. So, General Knox wrote to George Washington of the Shaysites in 1786:

> Their creed is "That the property of the United States has been protected from the confiscations of Britain by the joint exertions of all, and therefore ought to be the common property of all. And he that attempts opposition to this creed is an enemy to equity and justice, and ought to be swept from off the face of the earth." In a word, they are determined to annihilate all debts, public and private, and have agrarian laws, which are easily effected by means of unfunded paper money which shall be a tender in all cases whatever.

These disorders plus the necessity for taking steps to facilitate the flow of interstate commerce led to a reexamination of the Articles of Confederation. In 1786 Virginia sent out a call to the thirteen states to dispatch commissioners to Annapolis for the purpose of considering "the trade of the United States." Only five responded and nothing came of the meetings. But the commissioners—led by Alexander Hamilton—seized the opportunity to present a report in which "important defects" were referred to in the federal system of government; and the report proposed that thought be given to devising further provisions in order "to render the Constitution of the federal govern-

ment adequate to the exigencies of the Union." Suggestions appeared that a convention be called to "revise" the Articles of Confederation; and from these seemingly simple and understandable deliberations sprang the Constitution of the United States of America.

2. *FRAMING THE CONSTITUTION*

In February, 1787, Congress requested the states to send delegates to Philadelphia for the purpose of amending the Articles of Confederation. Virginia was the first to respond and in time all but Rhode Island complied. In all, 75 delegates were named of whom 55 actually gathered at Philadelphia during the course of the sessions. Some of America's greatest political leaders appeared on the list of delegates, although they were not all the demigods Thomas Jefferson—viewing the scene from Paris—hailed them as being. In the Virginia delegation were George Washington, James Madison, and Edmund Randolph (as well as Patrick Henry and Richard Henry Lee, who refused to go, the former declaring that he "smelled a rat"). Pennsylvania named seven delegates, of whom Benjamin Franklin, James Wilson, and Gouverneur Morris were the outstanding. New York named three, Alexander Hamilton being among them (although his participation in the deliberations was slight and he failed to attend a good part of the time). South Carolina's leading representative, among its four spokesmen, was Charles C. Pinckney. Massachusetts picked five, one never came, and Rufus King was its most important delegate. Maryland sent Luther Martin. New Hampshire did not get around to picking its delegation until June, and of the four commissioners named two never left for Philadelphia and the other two did not show up until the end of July.

The Constitutional Convention. On the 25th of May the Convention was formally opened with delegates from seven states present. George Washington was the only name presented for president; he was elected and installed and rules for its deliberations were drawn up. The Convention was to meet secretly; there was to be no official record of its debates; the delegates pledged themselves to silence concerning its discussions. On May 29th, with forty delegates from ten states present, it began its deliberations. It started its work—sitting as a Committee of the Whole—by considering a set of fifteen resolutions presented by the Virginia delegation through its head, Edmund Randolph. The Virginia Plan rested upon the theory that a strong national government was necessary; it was supported by Virginia, Pennsylvania, and Maryland. Opposition to it—and in favor of a weaker central organization—came from Connecticut, New York, New Jersey, Delaware, and Maryland. On June 15, the Paterson, or New Jersey Plan, made up of nine resolutions—in effect nothing more than a series of amendments of the Articles of Confederation—was submitted. The New Jersey Plan was voted down; a compromise was presented; and the Convention was deadlocked for three weeks. The debates became very heated and on a number of occasions the future of the Convention seemed to hang on a thread. It was not until July 16 that the leading difficulty was resolved—the balancing of the strength of the small states against that of the large. This was done by giving each state the same representation in the Senate: a compromise worked out by the Connecticut delegation and since then called after it. From then on, it was plain sailing and most of the Virginia resolutions—now increased to twenty-three—were adopted quickly.

A Committee of Detail was named to write the actual Constitution itself. Its proposals were debated; and on September 8 a Committee on Style, headed by Gouverneur Morris, was appointed. There was resistance to some of the

provisions to the very end; in short, it was clear that a unanimous vote was not to be obtained. Morris drew up a clever subscription, Franklin proposed it, and it was adopted by acclamation. It ran: "Done in Convention, by the unanimous consent of the States present the 17th of September. . . . In Witness whereof, we have hereunto subscribed our names." The Constitution was signed by thirty-nine delegates.

The Constitution. The framers of the Constitution—led by James Madison—did their work with amazing skill. There is no question that the Convention was a class assembly, for in terms of personal interests the delegates came from the upper rather than the middle rank of American society. They had in their midst every type of large-propertied interest: security-ownership, commerce, manufacturing, slave planting, banking, land jobbing. On the other hand—except in the person of Luther Martin—the small farmers, traders, and town mechanics had none to speak for them.

Yet to regard the Constitutional Convention as an assembly called for the exclusive purpose of protecting propertied interests is a mistake. The founding fathers sought, above all, stability—as General Knox had expressed it: "Our government must be braced, changed, or altered to secure our lives and property." It is true many were suspicious of the common man and voiced antidemocratic sentiments. But it is important to note that the rights of small men were recognized in the Great Compromise embodied in the Constitution, that is, the grant to all states, regardless of wealth or population, equal voices in the composition of the Senate and in the choice of the President.

From the labors of the Convention emerged that national union that seemed the only effective reply to the uncertainties of the hour. The safeguarding of property against leveling assault was assured by two devices: the states might not issue legal-tender paper money; and the states were denied the right to impair the obligation of contract. By positive measures the strength of the national government was equally provided for. In it were deposited these functions: levying and collecting taxes; imposition of duties on foreign imports; regulation of interstate and foreign commerce; borrowing and coining money; issuing patents and copyrights; drawing up rules for proceedings in bankruptcy; raising and supporting armies; selling public lands; protecting the states from domestic violence; the payment of all debts contracted in the revolutionary period by the Continental and Confederation Congresses and by the several states.

It is possible to argue that the alarums and excursions of the period in which the Constitution was born account for many of the anti-leveling devices written into the document. Notably this is so of the checks and balances against popular controls. The President and the Senate were to be chosen indirectly; the President was to have the veto power; the judiciary was to be named for life by the executive; the Supreme Court was to have the right of judicial review. (This power was not granted by the Constitution itself; but contemporaries so understood the role of the Court.) Yet it must be pointed out that a few years later, with the return of prosperity, there was little opposition voiced to the incorporation in the nation's fundamental law of a Bill of Rights that protected individual rights from oppression at the hands of public authority. The Constitution, in short, was conservative and conserving; but it was not a desperate and reactionary *coup d'état* designed to destroy the achievement of the Revolution. That was secure.

Ratification. The Constitution might very easily have failed of ratification if it had not been for the courage, devotion, and skill of its friends. It was sent to the states, and the state legislatures then fixed dates for choosing delegates to attend ratification conventions. Some states allowed a fair amount of time for public debate; others, virtually none at all. In Connecticut, New Jersey, Georgia, and Delaware haste seems to have been the order of the day; and the Constitution was adopted in each one without significant opposition. In New Hampshire, Massachusetts, and New York, the popu-

lar vote for delegates ran against the Constitution; but its adherents rallied to its support and brought powerful pressure to bear on the elected delegates. By public campaigns, by behind-the-scene bargains, by adroit political maneuvering, the doubtful were won over. The votes for ratification were close: in New Hampshire, 55 to 47; in Massachusetts, 187 to 168; in New York, 30 to 27. Virginia took its time and the whole document was debated fully before the election of delegates and on the floor of the convention; the final vote was 89 to 79. The same was true of Maryland and South Carolina, where the votes were 63 to 11 and 149 to 73, respectively. In Pennsylvania popular feeling against the Constitution ran high; anti-Constitution men tried to prevent the calling of a convention; pro-Constitution men used duress, and there were frequent charges of irregularities. But its friends won out and the Constitution was ratified by a vote of 46 to 23. Two states—because of clear-cut majorities in opposition—did not ratify until the Constitution had already been established. These were North Carolina (which ratified on November 21, 1789) and Rhode Island (which ratified on May 29, 1790).

One may well speculate what would have been the fate of the Constitution had its foes been as well organized as were its friends. For in the elections to the state conventions, it is estimated, not many more than 160,000 adult males participated—one fourth or one fifth of a total possible electorate. Of course, some did not vote because of the presence of property qualifications, but this number was not large. Indifference, apathy, ignorance, transportation difficulties in rural districts accounted for the lightness of the voting. Moreover, there were clearly indicated regional, or economic, differences to be noted. Generally, inhabitants of towns and dwellers on the Eastern seaboard—the larger-propertied interests—voted for ratification; while agrarian and backcountry communities—the smaller-propertied interests—voted against it. John Marshall, writing in his *Life of Washington* fifteen years later, summed up the complex situation in this fashion:

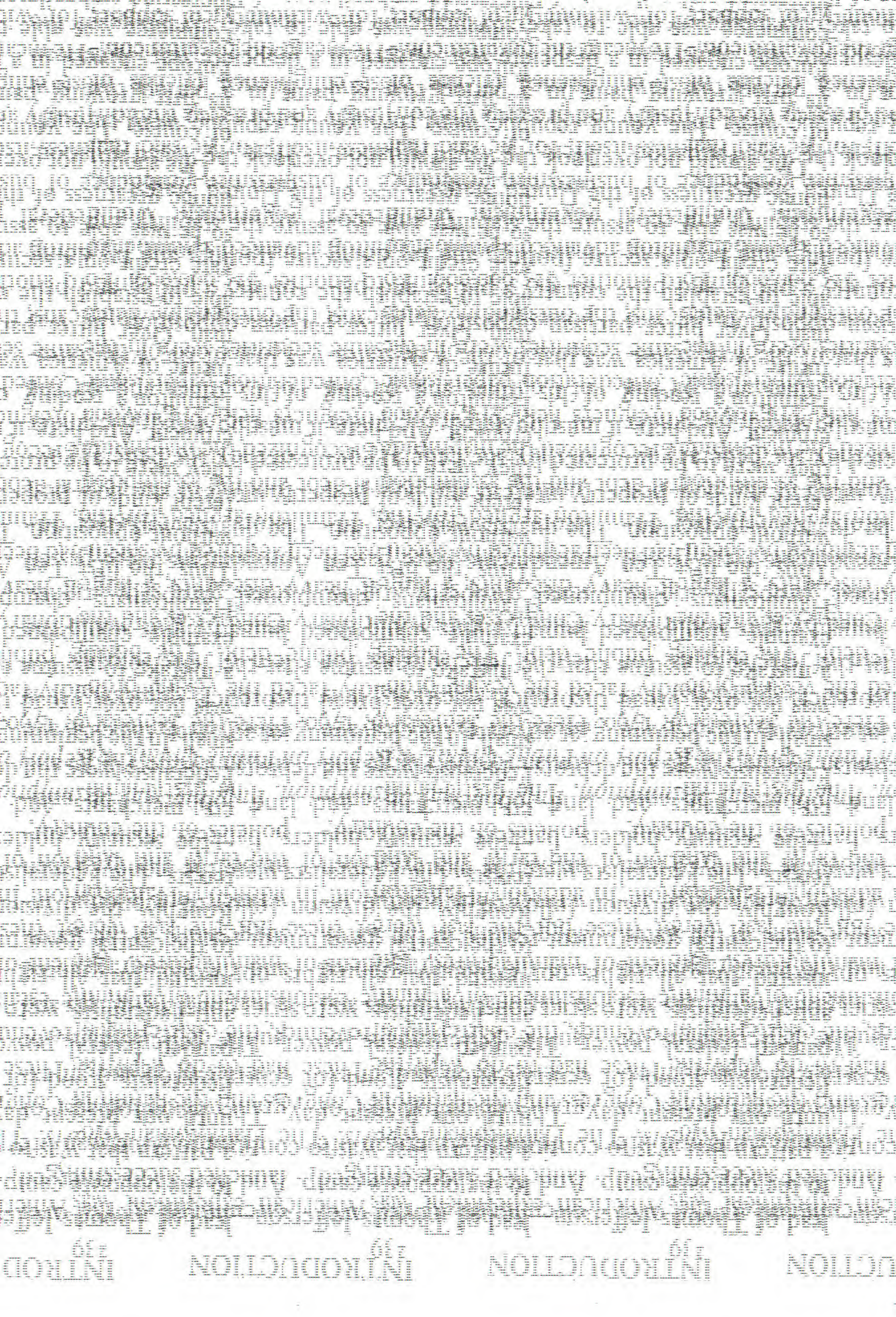
> So balanced were the parties in some of them [the states] that even after the subject had been discussed for a considerable time, the fate of the Constitution could scarcely be conjectured; and so small in many instances was the majority in its favor, as to afford strong ground for the opinion that, had the influence of character been removed, the intrinsic merits of the instrument would not have secured its adoption.

3. *THE HAMILTONIAN PROGRAM*

George Washington consented to become the first President of the United States, and when he appeared in New York to take the oath of office, on April 30, 1789, he was acclaimed by a united people. To his moderation and the universal respect with which he was regarded, and to the genius of his leading adviser, Alexander Hamilton, the nation owes its successful start. Property rights were made secure; but equality of opportunity was also assured.

Washington named four men to his Cabinet: Thomas Jefferson as Secretary of State, Alexander Hamilton as Secretary of the Treasury, Henry Knox as Secretary of War, and Edmund Randolph as Attorney General. Meanwhile Congress was meeting—with James Madison as its leader on the floor of the House—and in addition to setting up the departments (as well as one for Post Offices, without, however, Cabinet rank), it passed a tariff act and a judiciary act in the first year of its life.

Federalists and Anti-Federalists. Differences did not develop until Hamilton began to submit his series of reports; and then a clear-cut division manifested itself. Before the Constitutional Convention met, Madison had favored a powerful central government; by 1790—following the



Funding Act of 1790 created a machinery for funding. The law provided for the issuance of several series of federal bonds which were to be exchanged at par for the old Continental debt and the later Confederation domestic debt. Hamilton drove a good bargain with the security holders: for four ninths of their holdings they were to receive a series of bonds paying 6 percent interest; for another two ninths, the refunding bonds were to be interest free for ten years and then 6 percent was to be paid; for the remaining three ninths, the interest was to be 3 percent.

The assumption of the state debts was granted by Congress only after a bargain had been struck between Hamilton and Jefferson personally. Congress permitted the floating of a bond series for $21,500,000 to cancel the state issues; actually it was necessary to pay out only $18,000,000. The *quid pro quo* was the creation of the District of Columbia, and the erection of the national capital in a region where, presumably, business influences could not directly bring pressure to bear on Congress.

In addition, the laws wisely provided for a sinking fund to redeem the debt and support the market for federal bonds. The customs revenues were to be earmarked for the payment of interest charges. From the sale of public lands was to be built up a reserve out of which the redemption of the bonds would be financed; while such annual surpluses as accrued to the Federal government were to be used in open-market purchases of the bonds if they should fall below par.

The fact is, Congress had already gone about the business of laying the foundation of the federal revenue when it had passed the Tariff Act of 1789. Its preamble had set forth the threefold purpose of the measure as follows: "Whereas, it is necessary for the support of the government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures that duties be laid." It should be noted, however, that the first duties were only slightly protective in character, their chief intent being revenue production and the support of a domestic merchant marine. Hamilton's famous *Report on Manufactures*, which came late in 1791, did not overcome Congress's opposition to mercantilist devices; and it was not until 1816, in the midst of another depression, that the first really protective tariff law was enacted.

The Act of 1789 imposed an *ad valorem* duty of only 5 percent on all "nonenumerated" articles. Specific duties, somewhat heavier than 5 percent, were put on hemp, cordage, nails, iron manufactures, and glass. To encourage the domestic merchant marine, however, a drawback of 10 percent was allowed on all taxable commodities coming in American ships. Also, a tonnage tax of 50 cents a ton was levied on foreign vessels in American ports. In 1792, the general rate on nonspecific imports was raised to about 7½ percent.

In his *Report on the Excise* Hamilton returned to the question of public finance and laid the basis of the internal revenue practices of the country. Following his suggestions, Congress, in March, 1791, voted taxes on rum and whisky, to be collected at the source. In 1794, the principle of the excise was expanded when taxes on carriages, sugar, snuff, and auction sales were imposed.

The Bank. Hamilton's *Report on the Bank* appeared on December 14, 1790. He argued for a federally chartered institution with the rights of note issue, deposit, and discount on the following grounds: It would augment "the active or productive capital of the country." It would be able to lend to the Federal government in times of stress, and would facilitate government collections and payments. Despite the opposition of the anti-Federalists, led by Jefferson, who raised the specter of monopoly, Washington listened to Hamilton and threw his weight behind the measure. In February, 1791, Congress granted a charter for the organization of the Bank of the United States, fixing its life at twenty years.

The institution was to be a private one; but it was to have semipublic functions, in this sense being patterned after the Bank of Eng-

land. It was to be capitalized at $10,000,000 in 25,000 shares. The Federal government might subscribe to one fifth of these and was to name a similar proportion of the twenty-five directors. Private persons could pay for their shares in government 6 percent bonds up to three fourths of their subscriptions; the remaining one fourth was to be in specie. The lion's share of the capitalization, $5,700,000, was to be kept in the main branch at Philadelphia; up to a total of eight branches might be established. To check concentrated control, a system of "regressive voting" was set up, the possessor of a single share being given one vote, of three shares two votes, and so on up to one hundred shares which had but twenty votes. Participation of foreign subscribers was encouraged, but they were not to vote by proxy or to sit on the board of directors of the Bank.

The Bank's functions were explicit. It could receive deposits from individuals and public bodies and make loans to businessmen, the states, and the Federal government. These loans were to be effected through either deposit creation or the emission of bank notes, but such notes were not to exceed the total of deposits and paid-in capital. Interest on loans was fixed at 6 percent. During the 1790s, the Bank admirably performed these functions. It added a total of $5,000,000 to the currency of the country, handled deposits and disbursements for the Treasury, and advanced funds to the Federal government (by 1796 this obligation stood at $6,000,000). In 1796, the process of public withdrawal began when the government sold a part of its Bank stockholdings in order to pay off its indebtedness to the institution. Thereafter, it asked no further loans from the Bank. Under Jefferson, whose hostility toward the Bank had never abated, the Federal government severed its connections entirely, selling all its stock. By this time, the Bank's shares were being held abroad largely; indeed, in 1811, when its charter expired, 72 percent of the stock was in the portfolios of foreign investors.

The Coinage. In January, 1791, the *Report on the Coinage* was issued. Hamilton's recommendation, herein, for the establishment of an American currency and mint was carried out by Congress in the Mint Act of 1792. The monetary system created by the Confederation Congress in 1785 was continued: that is, the basic coins were to be the gold eagle ($20), half eagle ($10), quarter eagle ($2.50), and the silver dollar, half dollar, and quarter. Following England's lead, a bimetallic standard was adopted, and the existing market ratio of 15 to 1 for the silver dollar was accepted. This dollar was to contain 371 grains of silver, the content of the Spanish dollar. A mint was also set up, not so much for making coins out of bullion—there were no precious metal deposits of any importance in the country at the time—as for converting foreign coins into American ones. This movement was a slow one; and it was not until 1802 that foreign coins disappeared and businessmen finally had a uniform currency. From the termination of the depression of 1785–86 through the 1790s, the amount of coins in circulation continued to increase. As has already been pointed out, this was owing to the increasingly favorable position of the United States in world trade. Indeed, we probably had a favorable balance of international payments during these years; perhaps this was the case right up to the outbreak of the Second War with England. For specie poured into the country. It has been estimated that in 1790, the amount of specie in circulation stood in the neighborhood of $9,000,000. By the end of the decade, this amount had doubled.

Manufactures. In December, 1791, there appeared still another Hamiltonian paper, undoubtedly the most interesting of all, called the *Report on the Subject of Manufactures.* In time this document was to become the classic textbook of American protective tariff interests. It should be observed, however, that the tariff was but a single device among many that Hamilton called upon Congress to employ in an effort to encourage domestic manufacturing enterprise. In short, Hamilton was flirting with

mercantilist ideas (with a curious and amusing bow to Adam Smith, now and then) at the very moment that these were pretty generally under a cloud. Great Britain had made some concessions to American trade by the Treaty of Paris in 1783 and was to make even more important ones in the later Jay Treaty of 1795. In 1786, Great Britain and France had entered into a commercial agreement under which home markets were being opened up. American commerce was meeting with successes in many regions. For these and other reasons, Hamilton's advice could not have been followed. Perhaps it was better so. In any case, his arguments in favor of protectionism were shelved for another fifty years; indeed, it was not until the post-Civil War period that these were revived, this time with success, by the Republican party.

Hamilton, impressed by the successes of new industries everywhere about him, sought the creation of a great manufacturing interest comparable to England's. In fact, his preoccupation with manufacturing was more than an academic one; for he had been one of the prime movers in the creation of the Society for Establishing Useful Manufactures (SUM), which had been chartered by the State of New Jersey in 1791. Authorized to issue a capital stock of $1,000,000 (a sum larger than the total worth of all nonbanking joint-stock enterprises in the country), the corporation had attracted immediate attention. Subscriptions were taken up; power sites were granted by New Jersey; and a factory, at what is now Paterson, New Jersey, was constructed. The projectors' vision was a large one. The new company, using machinery and skilled mechanics, was to turn out a great variety of finished goods, including paper, sailcloth, other types of linen cloths, stockings, ribbons, tapes, thread, fringes, blankets, carpets, hats, shoes, pottery, brass, ironware, and cotton and linen prints. So the prospectus of the SUM. But American capital had other tasks to perform—the most important being the opening up of a vast continent—before it could sit down to the problem of developing manufacturing enterprise intensively. By 1796, the SUM was a failure.

Nevertheless, Hamilton's reasoning is worth following. Taking a leaf out of Adam Smith's *Wealth of Nations* and, like Smith, questioning the assumption that agriculture is "the most beneficial and productive object of human industry," he argued for the superior advantages and larger productivity of manufacturing. Under it, a greater division of labor could be employed; and "thereby an increase of productive industry is assured." Again, manufacturing made possible the use of machinery; and in this way "an artificial force" is brought productively to the aid "of the material force of man." Further, manufacturing furnished employment to "classes of the community not originally engaged," that is to say, it created jobs for women and children. And it helped to promote immigration, particularly of skilled workers.

Then came a series of cogent economic arguments that had to do with opportunities for capitalist expansion. Manufacturing tended to furnish "greater scope for the diversity of talents and dispositions which discriminate men from each other." Manufacturing would afford "a more ample and various field for enterprise." (And, in an aside, to "cherish and stimulate the activity of the human mind by multiplying the objects of enterprise is not among the least considerable of the expedients by which the wealth of a nation may be promoted.") Finally, manufacturing in turn provided an expanding home market for agricultural commodities. For it contributed to an "augmentation of the produce or revenue of the nation" through "creating, in some instances, a new, and securing in all a more certain and steady demand for the surplus produce of the soil."

By 1791, Adam Smith could no longer be disregarded. But nations had to be practical. "If the system of perfect liberty to industry and commerce were the prevailing system of nations, the arguments which dissuade a country in the predicament of the United States from the zealous pursuit of manufactures would,

doubtless, have great force." Until that time, the United States had the right to defend itself with mercantilist weapons. Even so, Hamilton had his doubts about a regime of "perfect liberty." Enterprisers needed encouragement to embark upon "young industries" (here is the first adumbration of the classic argument for protectionism, that of the infant industry). The influence of habit, timidity, and the like, might prevent the growth of manufactures even if an international division of labor existed and natural forces were suitable. Government assistance was required.

Then Hamilton sought to answer the objections of his foes. Manufacturing would not necessarily lead to a concentration of population in the East; the growth of the home market would help to expand agriculture. As for capital, part of it would come from abroad; another part would be furnished through the new government bonds, which could be used as security for bank loans. As for labor, immigrants, women, and children would furnish the working force. And he ended by advancing the positive reasons that have always been employed to defend a national as against an international economy. The well-being of a country having a balanced economy was assured because the home market has greater dependability and because diversification has inherent advantages.

How, now, to do it? By the usual mercantilist devices currently being employed: by protective duties; by prohibitive rates; by bans on the export of raw materials; by bounties and premiums; by the encouragement of invention; by regulations for the inspection of manufactured commodities; by the public construction of roads and canals. Hamilton concluded his report by showing that hopeful beginnings had already taken place. The young United States already possessed small works manufacturing iron, lead, wood products, leather goods, flour, linen, cotton and woolen goods, silk, glass, gunpowder, paper, printing, refined sugar, and chocolates.

Hamilton's program was not to be fulfilled. The anti-Federalists, defeated on the Bank, the assumption of the state debts, and, later, on the Jay Treaty, here refused to yield. A monopoly interest was already entrenched in the field of finance; there could be no countenancing its extension into the realm of manufacturing, thus upsetting the balance of classes which was the real defense of democracy. One of the most eloquent of these anti-Federalists, John Taylor of Caroline, a little later put the argument of the agrarian Jeffersonians in this form:

> . . . the policy of protecting duties to force manufacturing is of the same nature and will produce the same consequences as that of enriching a noble interest, a church interest, or a paper interest; because bounties to capital are taxes upon industry and a distribution of property by law and it is the worst mode of encouraging aristocracy, because to the evil of distributing wealth at home by law, is to be added the national loss arising from foreign retaliation upon our own exports.

For another fifty years, American capital was to preoccupy itself, in its leading emphases, with foreign trade, the great expansion and exploitation of the extending domestic market, land development, the building of transportation facilities. Even when tariff rates virtually became protective, in the 1830s, most of our finished-goods requirements continued to come from England. In short, as long as the characteristic undertakings of mercantile capitalism were capable of producing returns, there was little to tempt the American enterpriser to change his status and put his fund simply and entirely into fixed plant. His interests remained diversified.

Public Lands. The devising of a public land policy, while not associated with Hamilton's name, was an integral part of his fiscal program. As early as 1785, by the Land Ordinance of that year, the Confederation Congress had mapped out the general lines of the land system that was to continue until almost the end of the nineteenth century. The public lands, according to this act, were to be laid out in townships six miles square, with each divided into 36 sections of 640 acres each. At least two sections in each township were to be set aside for the support of public schools; the others were to be sold at

public auction at once and the proceeds added to the Treasury's general fund. The land act, to encourage settlers as well as land companies, provided that half of the parcels were to be sold in sections and the other half in townships. The minimum knockdown price was to be $1.00 an acre, with payment in cash.

Obviously, land jobbers were at an advantage under this program, but soon the settlers were to be heard from. As a result of their representations, under the land act of 1796, while the minimum price was raised to $2.00, a year's time was permitted for the completion of payments. Western land offices were opened up. In 1800, further liberalization took place: the minimum quantity of land salable was reduced to a half section, or 320 acres, and a four-year installment system for the meeting of payments was created. This scheme turned out to be a not very effective compromise. The revenues brought into the Treasury from the sales were smaller than had been anticipated. Moreover, under the installment-payment program speculative companies bid in larger parcels than they had the immediate means of carrying, in the expectation that quick sales to homesteaders would allow them to discharge their obligations to the government. There were frequent disappointments, with the land office the loser. On the other hand, bona fide settlers were not ready to purchase as much as 320 acres; and, besides, they required more than the four years stipulated for discharging their debt.

The Jay Treaty. Finally, we may note as another achievement of the Hamiltonian program the working out of more satisfactory commercial relations with England. With the backing and full confidence of Hamilton, John Jay was sent to London to draw up a treaty to close the matters left unsettled by the Treaty of Paris. In the Treaty of London of 1794, Jay committed the United States to guaranteeing the payment of the debts contracted by colonials in the pre-Revolutionary period. The English, in return, agreed to evacuate the Western posts which they were still holding; pay damage for the seizure of American shipping in the war that had dragged on between England and France; and fix a northeast boundary between the United States and Canada. Equally significant were the commercial understandings arrived at. The trade between the two countries was to be on a nondiscriminatory basis. Goods could move freely across the Canadian-American border. American ships were to be allowed to enter the ports of British-dominated India. As regards the West India trade, the English continued loath to abandon the Mercantile System. They were willing to allow the admission of American ships under 70 tons into these island possessions; but they banned the carriage by Americans of typical West India products (molasses, sugar, coffee, cocoa, cotton) into the direct European trade. As a result of the niggardliness of these concessions, the American Senate dropped the West India section from the treaty.

Half a loaf was better than none at all. There is no question that America's impressive mercantile growth in the next decade resulted in large part from a willingness on the part of England to allow American shipping to operate freely, even if we were compelled to recognize the English control of the seas. The tendency has been to regard the Jay Treaty as a setback for the United States. A more realistic view, considering the helpless position of a neutral United States *vis-à-vis* a Europe locked in a sanguinary war, warrants the opposite conclusion. Samuel Flagg Bemis, the outstanding authority on the Jay Treaty, has put this point of view in this way:

> To balance against those great concessions to British sea power there was the assurance of continuing commercial prosperity, sound national finances, and the perpetuation of the newly consolidated American nationality. There was also the great achievement of redeeming the territorial integrity of the United States throughout the Northwest. . . . But the concessions to England were heavy. They were the price which the Federalists paid for peace, that peace with England so necessary for the maintenance of Hamilton's structure of national credit and with it of the new federal government under the constitution of 1787. It is not an exaggeration to believe

that Jay's Treaty, which was really Hamilton's treaty, saved American nationality in an hour of crisis.

Foreign Capital in the United States. Of the soundness of the Hamiltonian intention to put the public finances on a secure footing there is no better proof than the eagerness with which foreign capital moved into the United States. Not only were our merchants advanced commercial credits by English and Dutch businessmen, but the investors of these countries bought freely of American public and private securities. By 1803, according to the estimates of Samuel Blodget, almost one half of American public and private issues of bonds and stocks were held abroad. His figures are interesting. Total security issues (leaving out the state debts) came to $129,700,000, of which $59,000,000 were in foreign portfolios. The federal debt stood at $81,000,000; foreign ownership accounted for $43,000,000 of this. The Bank of United States stock was $10,000,000; foreigners held $6,200,000. The stock of state-chartered banks totaled $26,000,000; foreign ownership came to $9,000,000. The stock of insurance companies was worth $9,000,000; a total of $500,000 was held abroad. The stock of turnpike companies was valued at $3,400,000; foreigners had $200,000 of this. By these means the young Republic was established.

4. THE DEFEAT OF THE FEDERALISTS

French Relations. These were the only triumphs of the Federalists. Never concerned about or capable of conciliating public opinion, their popularity declined as they committed one political blunder after another. The French Revolution had broken out in 1789 and the French Republic had been established in 1792 to meet the virtually united opposition of the European continent. Frenchmen deserved well of us: their assistance from 1778 on had turned the scales of the War of Independence in our favor. Partial to France, republicanism, and Deism, the anti-Federalists, or Republicans—as well as the American people generally—applauded the efforts of the French nation to stand off European reaction single-handed. French cockades were worn; the more equalitarian sans-culotte costumes were quickly imitated; Jacobin Clubs were formed. The Republican press insisted that we recognize our treaty obligations and come to the assistance of the French West Indies, threatened by the British fleet.

Jacobin excesses—abroad and in this country—alarmed the aristocratic Federalists. Partiality toward France represented more than sympathy for a sister republic; it revealed the depth of class hostilities in America and the general longing for leveling legislation and a wider diffusion of economic rights. Washington, in accord with the Federalist position, proclaimed American neutrality on April 22, 1792; and he quickly ordered the recall of the French Minister Genêt when that young man, his head turned by his popular reception, tried to embroil the United States in the war by committing clearly unneutral acts. The position of the Federalists was hardly improved as a result of the writing of the Jay Treaty. The British fleet was preying on our commerce and English soldiers were in the West keeping Indian relations in a state of turbulence. Jay obtained significant mercantile concessions, as has been pointed out; but these hardly appeased the Republicans, whose press clamored for war. Washington signed the treaty; was roundly abused for it; and left the presidency embarrassed and embittered by his experiences.

The Whisky Rebellion. Another incident fed the flames of partisan controversy. Hamilton's excise program had called for taxes on rum and whisky, collection being at the stills. In the case of whisky, the Western agrarians were especially hard hit. Because of difficulties in trans-

port, it was easier for them to market their corn and rye as alcohol than as grain; moreover, collection at the source meant visitation and search and the payment of excises in a cash that was hard to get. Particularly in western Pennsylvania, farmers became restive and the five-thousand-odd owners of stills in this area took to defying the excise inspectors. Matters came to a head in 1794. Hamilton, with one eye on the Republicans and their wide-flung net of Democratic Clubs, succeeded in persuading Washington to order out the militia and a troop of 15,000 was assembled which Hamilton accompanied. The militia deported itself like a conquering army and despoiled the countryside while it openly flouted civil liberties. The "rebels" melted away; altogether, two rioters were arrested—and pardoned; and the excises remained. But hostility to the administration and its party became implacable.

The Adams Presidency. It was in such a climate that Washington gladly quit office and turned over the presidency to another—and last—Federalist, John Adams. Adams, too, ran into storms. Although a man of great intelligence and very real capacities, he possessed few political gifts, so that he ended by antagonizing his own followers and strengthening the opposition. The fact that Hamilton was cold to him further weakened his position.

The shadow of the European war hung over the Adams administration. Adams knew his Europe as well as any American, and he tried to steer his ship between rocks and shoals. British impressments of American seamen continued; on the other hand, the French insisted upon considering the Jay Treaty as not only a violation of the Treaty of 1778 but as an alliance directed against them. They refused to receive the American minister and set the French navy to hunting down American merchantmen. By the middle of 1797 some three hundred vessels had been made French prizes.

Adams, trying the arts of conciliation, sent what was in effect a peace mission to France. Our commissioners were not officially received but French agents were named to treat with them informally. These—called "XYZ" in the subsequent papers which Adams sent to Congress—ended by requesting a bribe of $250,000 for the members of the Directory, the council which now ruled France. Adams seized the opportunity thus afforded him to confound his detractors at home, exposed the affair to Congress and obtained the termination of the Treaty of 1778 and the right to outfit privateers. In 1798, therefore, there began an undeclared naval war against France which raged for two years and destroyed the French West India merchant fleets. Now France, turned conciliatory and anxious to avoid a formal Anglo-American alliance, informed Adams it would welcome another American commission. Napoleon had become First Consul and he flirted with the thought of setting America against England in the Western Hemisphere. A new treaty was signed, therefore, by which France recognized both the end of the earlier alliance and the rights of American ships, as neutrals, on the high seas.

Adams was incapable of profiting from these hard-won foreign victories in the domestic field. In fact, he and his party pressed their advantage the wrong way. Seeking once and for all to destroy radical ideas, Federalists enacted in 1798 four laws collectively known as the Alien and Sedition Acts. Under them, aliens were to wait fourteen years instead of five before they could complete their naturalization. Aliens, too, were in danger of deportation if their political conduct displeased the Department of Justice. The Sedition Law was aimed at Americans. Any person responsible for "any false, scandalous or malicious" utterances about the President or either House of Congress was guilty of a crime and could be tried. A witch-hunt, particularly against Republican editors, was begun and a number of convictions were brought in.

The Virginia and Kentucky Resolutions. These acts dug the Federalist political grave. Moving with consummate skill, Jefferson and Madison appealed to the states to defend Ameri-

can liberties. Madison wrote a series of resolutions which the Virginia legislature passed; Jefferson performed a similar service for the Kentucky legislature. In addition to laying down a political theory around which the slave lords subsequently were to gather—that the Union was a compact among independent and sovereign states—the Kentucky resolutions invited all states to proclaim the Alien and Sedition Laws illegal and hence null and void. In the election of 1800, the Republicans obtained 73 votes in the electoral college for their presidential and vice-presidential candidates Thomas Jefferson and Aaron Burr. Under the then law, the election was thrown into the House and Jefferson was chosen President on the thirty-sixth ballot. Hamilton disliked Jefferson but he distrusted Burr and it was his influence with Federalist Congressmen that gained the election finally for Thomas Jefferson.

Jefferson Elected. Jefferson liked to refer to his victory as "The Great Revolution of 1800," but it was somewhat less than that. Jefferson was a libertarian, but he was no equalitarian. Devoted to human rights in the sense that all children of the Enlightenment were, he feared the tyranny of the state above everything else. A powerful state was capable of creating and fostering economic privilege; it threatened liberty; it cut down the areas of opportunity. Jefferson envisaged a polity and an economy under which simple husbandmen and mechanics and artisans—owning their own freeholds and shops—were to produce largely for their own households, exchanging their surpluses among themselves only to round out their own requirements. The world of manufacturing, banking, and foreign trade he distrusted. It produced class divisions and antagonisms; it launched a propertied class upon speculation with subsequent economic disorders; it led to the appearance of a propertyless workingclass—and the dangers of mob rule.

Thus Jefferson could write in 1785:

> Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country, and wedded to its liberty and interests, by the most lasting of bonds. . . . I consider the class of artificers [workingmen] as the panders of vice, and the instruments by which the liberties of a country are generally overturned.

But Jefferson was not prepared to eliminate at a stroke—as had been the French Jacobins—the barriers between gentry and commonality, between the well-born and the humble. Democracy was a developing round: it was to come, in time, with education, religious freedom, and the equalization of economic opportunity. If men were free, their better and decent instincts, their rationality and their will to improvement would help them rise. Their sense of justice would disarm oppression. Until then, it was fit that an aristocracy of talent should continue in control of the political processes.

The "Great Revolution" of which he spoke —the rise of the common man, the democratization of the franchise and education, the chance to possess a freehold and to grow with an expanding country—did make its appearance a generation later. When the young Frenchman Tocqueville came to America in the 1830s, the spirit of equality that ruled in the land at once attracted his attention—and bemused him. Were liberty for the individual and equality for the mass compatible? But Jefferson did not have to face that question. Enough to note that he was the great American democrat, if a doctrinaire one. Important, too, to observe that despite his deep antagonism toward everything Hamilton had stood for, there was little he did to disorder the Hamiltonian achievement. When he declared, in his first inaugural "We are all Republicans, we are all Federalists" he was employing more than a gesture of conciliation toward his political foes; he was rendering a promise that he never made a serious effort to break. Property rights were secure in America; Jeffersonian democracy really meant their wider extension among a large and growing company of agrarian freeholders and small businessmen.

5. THE AMERICAN SCENE AT THE CENTURY'S TURN

Size and Population. Such was the founding of the young republic whose first tentative steps were regarded with mingled feelings by Europeans. It had got off to a good start. How fast was it to progress? Perhaps only slowly—if the experiences of its first generation under freedom constituted any basis for prophecy. The area of the United States had been increased; running from Maine to Spanish Florida and westward to the Mississippi, it covered about one million square miles. At the close of the eighteenth century, its population was about 5,300,000, of whom nearly 1,000,000 were blacks. The Negroes lived largely in the South, still under slavery, but with the decline of tobacco culture the attachments to the institution were weakening. In the Northern states, emancipation was taking place by law and private act.

America was still America, in the original sense. Its population was largely native-born and its stocks were those of the seventeenth and eighteenth century settlers. Descendants of English emigrants made up, almost entirely, the inhabitants of New England and the Southern states. Pennsylvania had the most mixed population: the majority were English; significant minorities, German and Scotch-Irish; and lesser representations from among the Irish, Welsh, and Dutch. Descendants of Germans were also to be found in New Jersey, New York, and Virginia. Descendants of Scotch-Irish were everywhere the frontier had penetrated. There were the children of Dutch emigrants in New York and New Jersey; those of French Huguenots in South Carolina and New York; those of Swedes in Delaware, New Jersey, and Maryland; and those of French and Swiss in the Wabash country. But because of the war in America, the European war, the stoppage of the flow of indentured servants from England, and the difficulty and high costs of the Atlantic passage, immigration had slowed down to a trickle. In the first decade of the Republic scarcely more than 5,000 immigrants came annually to the United States. The universal tongue was, therefore, English. The problems of absorption and understanding of strange languages and customs were still in the future.

Virginia was the most populous state, with 880,000 souls; Pennsylvania and New York came second and third in rank. New York was moving up the scale—thanks to its superior means of internal communication and the growing primacy of its great port—and in another generation was to become the Empire State. But the country's population was also moving out of tidewater and piedmont; at the end of the century, there were to be found almost 1,000,000 persons living beyond the Appalachian Line of 1763. The penetration across the frontier (the frontier line constituted that imaginary division beyond which the population density was less than 6 people to one square mile) was not only westward; it was also into the back country. In 1800, the frontier stretched across the north, from Maine through northern Vermont and New Hampshire to Lake Champlain in New York; and then southward to the mouth of the Savannah River in Georgia. It did not run in a straight line: in three places it bulged out to the west. Settlers were to be found in sizable numbers in central New York along the Mohawk River; in western Pennsylvania around Pittsburgh; and in the northern upland country of Georgia. Beyond the line, in the heavily wooded wilderness, were three island concentrations of settlement: in the Blue Grass country of Kentucky; in the valleys of eastern Tennessee; and in the Cumberland district of central Tennessee. So rapidly had these places filled out that three new states were joined to the Union by 1800: Vermont in 1791; Kentucky in 1792; and Tennessee in 1796.

Every collection of roughly-hewed log huts did not presage a future metropolis. Many river towns sank before long into sleepy little villages. But, already, Lexington, Pittsburgh, Frankfort, and Cincinnati were busy communities.

Agriculture. Every clearing in time became a farm, as the great forest yielded before axe and fire. The American's hunger for a freehold of his own was insatiable: he obtained it from the states, bought it from speculators, acquired it under the federal land law—or simply squatted on it, hoping in time to acquire it legally. He farmed it crudely; but it gave him a livelihood and those few surpluses—whisky, hemp, pickled or preserved meats, skins—with which he could acquire salt, iron, a gun or ammunition, and some few small luxuries. America was still largely rural; and its agrarian rounds had scarcely changed since the colonial period. Only about 200,000 persons—less than 3 percent of the total population—lived in towns of 8,000 or more persons. Philadelphia and New York were America's great cities—and each had less than 75,000 inhabitants. After them came Boston, Baltimore, Charleston, Salem, Providence, Newport—all port towns. Interior cities were considerably smaller.

Ways of Life. The American farmer—and the American urban dweller, too, for that matter—lived his life much as had his father and grandfather before him. On the farm, whose cultivable acreage was but slowly growing, productivity had not increased to any measurable extent because tools, livestock, and methods of cultivation had not changed. Implements were still of wood and still clumsy; farm animals were still bred promiscuously; farmers knew little of crop rotation, manuring, proper drainage. Their clothes were largely homespun; their homes badly heated, poorly lighted, and without sanitary facilities; their diets and drink heavy and unchanging, although ample. House furnishings were meager and for the greater part homemade. There were few coverings for floors and walls, no easy chairs, no decorations. Water had to be carried; washing and bathing presented difficult problems, particularly in the wintertime.

The home environments of the urban lower and middle classes were much the same. The rich had more luxurious surroundings—in housefurnishings particularly—but not many more creature comforts. Even they had to take charcoal warming pans to bed with them. But gentlefolk could dress up, and on gala occasions the men were as resplendent as the women. The French Revolution democratized men's clothing—and contributed as much to the dignity and self-respect of the lower classes as any other single factor.

In the towns, the great part of the populations were associated with trade or the handicrafts. The lower classes were port laborers, seamen, fishermen, mechanics, artisans and peddlers, or worked in the few service-industries—inns, livery stables, stagecoach transportation. The upper classes were undifferentiated merchants: at one and the same time, owners of ships and traders in their cargoes, moneylenders and bankers, real estate operators and dealers in wild lands, mill owners; or followers of the professions of the ministry, law, and medicine.

Transportation. The American population was rural; the cities were small and not particularly comfortable places to live in; it was hard to get about in this early America. The roads from New York to Boston, Philadelphia, and Baltimore were passable; otherwise, as a rule, they were only heavy ruts extending uncertainly through the dense forests. Turnpike construction had begun, but it was peculiarly of a local nature and tolls were charged by the private companies to pay for the upkeep. The new government sought to establish post offices and foster the building of post roads. In fact, by 1800, there were 900 post offices and a recorded total of 20,000 miles of post roads. The main post road—extending from Maine to Georgia—took 20 days to cover, if the season was right. The same situation existed in the case of water transport and travel. The ships were still the small wooden sailing vessels

of the colonial period; little progress had been made in river or harbor improvement; there were very few bridges. One got over a river on a ferry—usually a raft—or floated across in a covered wagon.

Standards of Living. In such a civilization, it is hard to express standards of living in quantitative terms. European visitors agreed that Americans lived better than did their fellow men elsewhere; certainly this was true of the middle and lower classes. Because urban communities were so small and a bountiful nature existed everywhere, it was not difficult to supplement earnings from a garden patch, hunting, fishing, the forests. But the state itself provided few social services. Even in the case of education, of which much was heard theoretically and didactically at the end of the century, public schools rarely ran beyond the elementary grades; and then they were largely ungraded district schools supported from local funds. The best schools were those founded by the churches. Hospitals were curiosities; differentiated eleemosynary institutions did not exist; the almshouse sheltered the indigent aged, the orphaned, the mentally ill, and often the sick.

However, one cannot be guided too closely by such facts; it is the tone of a society that is important. As John A. Krout and Dixon Ryan Fox pointed out in *The Completion of Independence* (1944), the United States was a good place in which to begin. "One could always begin again in America, even again and again. Bankruptcy, which in the fixed society of Europe was the tragic end of a career, might be merely a step in personal education." Coupled with this—and always of the first importance—were the facts that land was easy to acquire; possession of a freehold gave not only economic independence but political participation and social standing; in the economic sector, ancient privileges to curb youth and daring were absent; wages were high and employment quite constant.

There were, of course, sharp differences in income and earnings among the various classes. But two things must be remembered: fluidity among the classes existed in America; and money earnings at the end of the eighteenth century cannot be contrasted with money earnings today because such a small part of the population was dependent wholly on money income. Fortunes, by modern standards, were small: George Washington, when he died in 1799, left an estate of about $500,000. And he was America's wealthiest citizen. Fortunes of $100,000 to $200,000, particularly in the merchant class, were not uncommon. A member of the professional middle classes could earn about $1,000 a year and live very comfortably on it. A skilled artisan averaged around 80 cents a day, making his annual income $250. Laborers made about half that. The typical farmer—with a property worth $1,000 to $2,000—perhaps had from $50 to $100 a year in cash for taxes and the farm and home necessaries he had to buy.

Fluidity in America. Superficially, the aspect of things—because there had been few modifications in the methods of production or their institutional arrangements since the early years of settlement—appeared fixed and changeless. Beneath, however, ran swift currents, and because of them bold spirits in America were making reexaminations and revaluations of traditional outlooks and beliefs. Attention has already been called to the great advances achieved in the political sector: we stood on the threshold of democracy. In religion, in science, and in mechanics pioneers were preparing the way for that revolution which the nineteenth century was to complete—the release of the mind of the common man from the grip of authority and his body from physical suffering and privation. To this extent, American thinkers, religious leaders, and scientists continued in touch with and to express the tradition of the European Enlightenment.

Religion. Revealed religion was being submitted to rigorous scrutiny by those who were aware that the churches could not shut out the scientific world entirely. Newtonianism had put order into the universe; and with this doc-

trine had come a greater regard for the dignity of man and his ability to create a good life by conscious effort. Intellectuals had become Deists and had nothing to do with organized religion, or attended churches only occasionally. Theology no longer was a necessary preoccupation on the part of an educated man; religion had become largely a matter of personal faith. Tom Paine's *Age of Reason* was published in America in 1794, and because it represented so well the beliefs of those influenced by the Enlightenment it was read widely and stirred men deeply. His credo became the position of many. Said Paine in a characteristic passage:

> I believe in one God, and no more; and I hope for happiness beyond this life. I believe in the equality of man, and I believe that religious duties consist in doing justice, loving mercy, and endeavoring to make our fellow creatures happy. I do not believe in the creed professed . . . by any church that I know of. My own mind is my own church.

The same boldness entered the churches themselves. There was a searching of hearts and a reexamination of doctrines. The first serious break came in that citadel of orthodoxy, New England Calvinism. It is true that New England Federalists in politics were also traditionalists in religion; and they fought as bitterly against the influences of rationalism and humanitarianism in the churches as they did against the idea of democracy in statecraft. But the Unitarians, so-called, were rising in the midst of the Congregational churches and their influence began to spread. Before long, that denomination was cleft in twain. The reformers questioned fundamental beliefs: unconditional predestination, original sin, hell-fire, the necessity for leading a life of complete abnegation. On the contrary: a man was created in God's image and divine love moved the world. There were schismatic groups, too, among the Episcopalians and the Dutch Reformists.

The Intellectual World. Orthodoxy was being shaken in the cities and, with the resultant freedom for men's minds, scientific speculations could be pursued without hindrance. Here, too, Europe's lead was being eagerly followed. The French Encyclopedia and English journals were read; American philosophical societies made their appearance; and the colleges quickly established scientific chairs. Americans soon familiarized themselves with European progress in mechanics, chemistry, physiology, botany, geology. America, too, began to make early scientific contributions, notably in chemistry. Benjamin Rush, James Woodhouse, Joseph Priestley, Benjamin Silliman, S. L. Mitchell became distinguished names in the annals of chemical research. There was an immediate carry-over into the field of technology. The scientific spirit, the dearth of labor, the constant American preoccupation with gadgets soon were to lead to Eli Whitney's invention of the cotton gin and the development of mass-production techniques in gunmaking and John Fitch's and Robert Fulton's perfection of the steamboat.

Revivalism. If the rationalistic spirit was making real advances in the Eastern communities, a fundamentalist revivalism reigned unchallenged in the back country. This ambivalence has always existed in America, in large part due to the fact that all sections of the country did not grow up together at the same time. Up to very recently, a settled society and a pioneering mode of life have lived side by side in the United States. The back country and the frontier folk, going through daily rounds of hard physical toil, loneliness, and unrelieved boredom, have found in revivalism an emotional outlet. Just as the Great Awakening had stirred colonial America, so Methodism—placing its emphasis on the same beliefs—swept the rural South and West. John Wesley, its English founder, who had also preached in America, had taught the necessity for personal communion with Jesus Christ in order to achieve salvation. Francis Asbury, the first and great bishop of the church, took the creed personally into virtually every obscure corner of the young republic. He lived in the saddle, he slept in humble dwellings, he founded churches in the wilderness; and he made some 300,000 converts and ordained some

4,000 ministers. Methodism, it is true, bitterly fought the natural religion of the Enlightenment; but, curiously enough, it made a mighty contribution toward the building of the democratic spirit. Its preachers reached right down into the lives of the common folk. They talked a simple tongue; gave their flocks an opportunity to release their pent-up emotions in religious demonstrations; and created an awareness of individual worth and a solidarity among the masses that were to be among America's most vitalizing forces. The cause of Jacksonian democracy found its army in these men and women of rural homesteads and frontier cabins.

In these ways, the new republic of the United States prepared itself for its great adventures in the nineteenth and twentieth centuries.

THE AMERICAN MIND

ELIHU PALMER

THE WORK OF Elihu Palmer (1763–1805) represents the leaven of "popular freethought" which is exemplified in Volney and the Deism of Thomas Paine. Palmer, who had been educated for the ministry at Dartmouth, abandoned Calvinism for the kindlier doctrines of the Universalists. While serving a Universalist congregation in Philadelphia he declared himself ready to dispute the divinity of Christ, a venture which turned him from theology to the law, for he was all but mobbed by an angry crowd when he attempted to maintain his thesis. Though he was admitted to the bar, Palmer had little opportunity to engage in his new profession. He was one of those stricken by the yellow fever epidemic which swept Philadelphia in 1793 and he escaped death only at the cost of blindness. That blow and Palmer's deepening convictions returned him to his original interest in religion. During the last decade of his life, he became one of the leaders of popular Deism. From Augusta, Georgia, to New York City, where he finally settled and organized the Deistical Society, the blind lecturer expounded his vision of the truth.

Palmer's discourses form the core of his chief work, the *Principles of Nature*, which was printed after his death. In substance, the book repeats the arguments against orthodox Christianity found in the work of the European Deists. The untrammeled intellect could penetrate all mysteries and achieve all things, since there was no limit to its "moral and scientific improvement." In a world engaged in the "awful contest" that must end "in the destruction of thrones and civil despotism" there was no room for such dogmas as the Trinity. The Bible was discordant in history, distorted in fact, unintelligible in doctrine, indecent, immoral and shocking to "common sense and common honesty." Christianity, moreover, demands belief in its doctrines before regeneration can take place, yet a man may experience what it terms regeneration without amending his conduct or increasing his knowledge. The differences among Christian churches and the blood shed as a result of those differences prove that Christianity is without moral authority even over its nominal followers.

From attack, Palmer turned to refutation. The present age is distinguished by a band of "philanthropic philosophers" like Thomas Paine, "probably the most useful man who ever lived." In point of fact, those who oppose Deism "are interested in keeping up a privileged system of plunder and robbery, which makes nine-tenths of the human race absolute slaves, to support the other tenth in indolence, extravagance, pride and luxury."

Ignorance alone makes men set miracles above the regular operation of natural law. Nature impels men to virtue, but superstition perverts his heart. For the essential principles of morality are founded in the nature of man. And those principles will become dynamic when men reach a correct conception of their relation to matter and to each other. Moral science is a progressive discipline, Palmer argues, and its decisions should be reexamined accordingly. Immortality attaches to man as matter and not as a receiver of sensations. Man must accept the universe then, remembering that human wishes are no standard for truth. Yet this unflinching view does not lead to pessimism. Goodness is inherent in man. Once he is free to discover the true foundation of morality, he will sweep out kings, thrones,

priests, and hierarchies and take power into his own hands to be used for the good of the entire species.

The selection here reprinted is taken from the London edition of 1823 of the *Principles of Nature*.

Principles of Nature

BY ELIHU PALMER

Chapter XIII: Origin of Moral Evil, and the Means of its Ultimate Extirpation from the Earth

The facts in the physical world are, many of them difficult of solution: those of the moral world have perplexed still more the operations of the human understanding. The subtilty, the abstruceness, the incognizable character of moral existence, place it beyond the power of clear intellectual perception, and the mind loses itself in those metaphysical combinations, whose successive variations are incalculable. But the difficulties which nature has thrown in the way of this inquiry are much less numerous than those presented by superstition. A design has been formed, and carried into effect, whose object it was to cover the moral world with a mantle of mystery, and exclude it wholly from the view of vulgar eyes, and common comprehension. It is only necessary to conceal the real nature and character of a thing, and then deformities and distortions may be made to pass for positive properties, or essential qualities inherent in any specific mode of existence. If the subtilty of thought, and the difficulty of moral discrimination, have in many cases presented to human investigation a barrier to farther progress; the intentional malignant descriptions of superstition have, in almost every age and country, terrified the mind of man, and prevented the developement of substantial moral principle. Nature furnishes some difficulties, but supernatural theology exhibits many more.

In no one instance is this remark more substantially verified, than in the inquiries which man has made concerning the source or origin of moral evil. Reason and theology, philosophy and superstition, are at war upon this subject. The believers in the Christian religion, following the examples of their theological and fanatic predecessors, have searched the universe inquest of a satisfactory solution to that long altercated question—Whence came moral evil? One religious sectary, willing to screen the divinity from any just accusation relative to so nefarious a concern, have descended into hell, and discovered there all the characters and distorted machinery necessary to the production of such an effect: but here metaphysical and fanatic invention indulged itself in all the extravagance of delusion. It was necessary first to create this *infernal* country, and then to create inhabitants suited to the nature of the climate, and the unfortunate condition in which they were to reside. The idea of a Devil was accordingly formed, and the reality of his existence rendered an indubitable truth by the reiterated assertions of superstition. Ignorance and fanaticism greedily swallowed the foolish *infernal* dose which had been administered.

There is a remarkable disposition in the human mind to remove the point of intellectual difficulty as far from the reality of the case as possible, and then it triumphantly imagines that a solution has been given. This is a fact particularly in theological inquiry, in which a few retrogressive efforts of the mind have been considered as an ample illustration of all the difficulties relative to the subject of Theism, and the existence of the physical universe. Similar to this idea is the doctrine concerning moral evil, and the disposition which theologians have exhibited to remove the burden from their own shoulders, and place it upon the devil's back. The whole *infernal* machinery with which we are presented by superstition, serves only to detach the mind from the true and real source of moral evil. While reflection is directed to another world, it is incompetent to a clear view of the facts existing in this, and the habit of such reveries produces a fanatic delirium subversive of all correctness of judgment. The existence of hell, and the beings that dwell therein, being only supported by what is called divine revelation, it follows, of course, that if this revelation is not true, a belief in any thing that is a mere result of that system cannot be substantially founded. Since then it is presumed, that in these chapters a competent refutation is given to the doctrine contained in the sacred books of the Jews and Christians, the idea of descending into hell, or having recourse to a devil, in search of moral evil, is futile and inconsistent.

Another part of the Christian world, willing to avoid difficulties which their antagonists had thrown in their way, abandoned the *infernal*

abodes, and ascended into the celestial world, in quest of the origin of evil. They exhibited ingenious metaphysical reasoning upon the subject, declaring that God was the Creator of all things; that sin was something and not nothing, and therefore he must be the Creator of sin or moral evil. This puzzled the advocates of the *hell scheme* and a clerical warfare was engendered concerning two theological opinions, neither of which had any kind of existence in the nature of things. After heaven and hell had been searched through and through to find something which did not belong to either of them, the terror-struck inquirer, as if fatigued with his atmospheric journey, seated himself once more upon the earth, and saw, or might have seen, in the very bosom of society, and the perverted character of man, a clear and satisfactory solution of that difficult question, which, for so long a time, had occupied his attention in distant regions. It is in this manner, that the plainest subject is rendered mysterious, when a superstitious religion is industriously employed in subverting the independent power of thought. It is neither in the upper nor lower regions; it is not in heaven nor in hell, that the origin of moral evil will be discovered; it is to be found only among those intelligent beings who exist upon the earth. *Man has created it, and man must destroy it.*

But it is necessary to exhibit the proofs of this last assertion, and convince Christian theology of the innumerable errors, which for ages past have been imposed upon a credulous and deluded world. What is it, then, that constitutes a moral evil? It is the violation of a law of justice or utility, by any one of the human species, competent to distinguish between right and wrong. We have no other cognizable idea upon this subject. Facts and practice are presented continually to the view of the human mind; the decision of a correct mind is always according to the nature and character of the case. The character of a human being is made either good or bad by the actions he commits. If these actions are conformable to the principles of justice and universal benevolence, they are with great propriety denominated good; if they are unjust, cruel, and destructive to sensitive and intellectual life, they are denominated bad. There are certain fundamental laws, suitable for the government of rational beings, and it is a departure from these laws that vitiates the human character. It is proved in another part of this work, that virtue and vice are personal qualities and that they result from personal adherence to, or personal infraction of moral law.

It is only necessary in this place to call the attention once more to the nature of human actions, and to the characteristic difference between them, in order to establish the position principally assumed in this inquiry; for it ought to be recollected, that even if it *could* be proved, which by the way it cannot, that even a deity or a devil had violated moral law, this would not effect the decision upon the subject in regard to man; because that evil could not be transferred from a different kind of beings in the other world, to those who exist upon earth. As the moral properties of all intelligent agents are personal; are essentially their own and not another's; as there can be no justifiable transfer between man and man, so it follows that there can be none between man and devil. Every intellectual being must depend upon himself: must rest upon his own energies and be responsible for himself. Man must, therefore, relinquish that position, which has been assumed by Christian theology, relative to the transferable nature of moral qualities. Christianity presents us with two grand leading characters, to whom we are always referred in our inquiries upon the subject of moral evil. Adam and Jesus are these persons, and in them is said to have been concentred the sin and righteousness of the human race. The new Testament declares that, *as in Adam all die, even so in Christ shall all be made alive.* This is a sweeping clause, in regard to the moral existence of man, and flies in the face of universal experience. Facts are at war with this scriptural declaration, and it is impossible to reduce the sentiment to practice, without producing in common life the grossest violation of justice. Admitting for a moment the existence of such a man as Adam, which by the way is extremely problematical, it will not follow, that there was in him either a moral or physical death of the human race. Physically it is impossible, and morally it is unjust. If Christian theology has made a recurrence to Adam, to aid the solution of difficulties, relative to the origin of moral evil; if it has by this idea perverted the eternal principles of discriminative justice, it has also been equally unfortunate in calling in the righteous Jesus to its assistance, in expectation of ultimately destroying the immorality of the world. The scriptures invite us to behold the Lamb of God, that taketh away the sins of the world. The Lamb is Jesus, the only begotten of the Father; he is reputed to be divine and uncontaminated with any kind of moral turpitude. He is made the victim of Jehovah's wrath, and falls a sacrifice to the vindictive fury of his benevolent father, and all this for the purpose of removing crimes for which apostate man should have been scourged and afflicted. Means more unsuitable or incompetent to the production of such an effect, could

never have been invented by the delirious brain of fanaticism itself; but the absurd and incompetent methods which Christian theology has invented for the destruction of moral evil, are not so much the objects of the present investigation, as the means which reason has in view to effectuate the moral renovation of the species. It is a common complaint among theological doctors, that the *world is growing worse and worse!*

Passing by any strictures upon the ill compliment which theologists pay to themselves by indulging such a sentiment, the truth of the opinion itself will become a more important matter of discussion. The organic construction, the powers and the properties of human existence, the aggregate amount of virtue and vice in the present generation, these are objects subjected to the inspection of the human mind; but the conduct and character of man, in former ages, is to be drawn from history. Histories, however, are not always faithful to the realities of the case, and description is sometimes excessive and sometimes deficient. But judging from what we know, and including in the ground of decision, similarity of organic structure, cogent proofs will be exhibited against the admission of an opinion hostile to the ultimate perfectibility of intelligent life. The expansion of mind, the development of principles, and the cultivation of the arts, in a degree far superior to all the specimens of high antiquity, evince an incontrovertible amelioration in the present race. The accommodations favourable to the comfort and happiness of life, with which man has surrounded himself, demonstrate, that there exists in the constitution of his nature a strong and indestructible impulse to progressive improvement; to the diminution of evil, and the augmentation of good. The fine moral qualities of the heart, which adorn cultivated life, give to it a splendid brilliancy, and triumphant exaltation above the coarse, instinctive brutality of former ages. If personal malignity and national warfare continue, the first is diminished in the acrimony of its character, and the second has regulated its movements, in some measure, upon the principles of a reciprocal humanity, and a greater respect for the dignity of human existence. These are facts with which we are every moment presented in the history of modern times: those who controvert these assertions must have forgotten, or never knew, the names of Alexander, of Nero, and Caligula; of the numerous ecclesiastical despots and persecutors with which the history of the Christian Church presents us, anterior to the commencement of the sixteenth century; nay farther, they must have neglected the reading of the *Holy Scripture*, and have lost sight of the character of Moses, that eminent murderer of antiquity. The Mahometan arguments in favour of belief must also have escaped their notice; in short, the advocates of pre-eminent virtue in former ages have shut their eyes against the history of kings and priests; against the knowledge of those dreadful effects, which the compound despotism of the church and state has produced upon the human race.

If the modern *Suwarrow* be brought as an example of refutation to these remarks, it is admitted in its full force, and this eminent murderer of modern times is consigned, by the sentiment of humanity, to the grave of eternal infamy. But the cases of such savage barbarity are growing less numerous in proportion as the knowledge of principle advances, and the correspondent moral practice flowing from such knowledge. Reason, or the intellectual powers of man, must eventually become both the deposit and the guardian of the rights and happiness of human existence. Reason has already acquired such strength, and so far unfolded its powers, that it has already sealed the future destiny of the human race. It is the peculiar office of reason to look to the utter demolition of the ancient regimen of church and state. These twin sisters of iniquity are the moral giants, which have stalked with huge devastation over the face of the whole globe. Political depotism and supernatural religion have done more to render the human race vicious and depraved, than all other causes conjointly combined. If the passions of man and the impulses of his nature have frequently produced a moral eccentricity in his conduct, it is certain that a corrupt government and a corrupt religion have rendered him habitually wicked; have perverted all the conceptions of the mind upon moral and political subjects, and brutalized his intellectual existence.

The most important step which can be taken for the extermination of vice and misery, is to destroy the artificial causes by which such evils are perpetuated. If other causes should be found to exist in the constitution of nature, they will be progressively removed by the light and power of science, and a more comprehensive view of the true interest of the human species. But efforts tending to make the individuals of a nation virtuous and happy, will never succeed extensively till the civil and religious tyranny under which they groan shall be completely annihilated. This will lead to the application of force in the political revolutions of the world; an expedient, however, the rectitude of which some benevolent philosophers have called in question. . . .

It is sufficient at this time to remark, that des-

potism gives no encouragement to any kind of improvement, and the hope of human amelioration from this quarter will ever prove to be fallacious. Reason, righteous and immortal reason, with the argument of the printing types in one hand, and the keen argument of the sword in the other, must attack the thrones and the hierarchies of the world, and level them with the dust of the earth; then the emancipated slave must be raised by the power of science into the character of an enlightened citizen; thus possessing a knowledge of his rights, a knowledge of his duties will consequently follow, and he will discover the intimate and essential union between the highest interests of existence, and the practice of an exalted virtue. If civil and ecclesiastical despotism were destroyed, knowledge would become universal, and its progress inconceivably accelerated. It would be impossible, in such a case, that moral virtue should fail of a correspondent acceleration, and the ultimate extirpation of vice would become an inevitable consequence. Ages must elapse before the accomplishment of an object so important to the elevated concerns of intelligent life; but the causes are already in operation, and nothing can arrest or destroy the benignant effects which they are calculated to produce. The power of reason, the knowledge of printing, the overthrow of political and ecclesiastical despotism, the universal diffusion of the light of science, and the universal enjoyment of republican liberty; these will become the harbingers and procuring causes of real virtue in every individual, and universal happiness will become the lot of man.

TIMOTHY DWIGHT

BETWEEN 1783 and 1801, the American scholar saw his own country achieve independence, weather post-war upheaval, and establish a new instrument of government. The Constitution had barely been set into full operation when Revolution broke out in France. From this safe shore of the Atlantic, Americans watched the *ancien régime* crumble. Revolution threatened more than political change; it shook the foundations of belief generally. To the conservative defense of all true and tried values flocked a group of Americans of whom Timothy Dwight (1752–1817) was one of the most notable.

Dwight, Jonathan Edwards's grandson, was educated by his mother, who made an intense student of her precocious son. Dwight resigned as a tutor at Yale to serve as a chaplain in the Connecticut Line and left the army in 1779 to care for family affairs. After nearly two decades as preacher, schoolmaster, and poet, Dwight was called to the presidency of Yale.

Here, as preacher and schoolmaster, Timothy Dwight worked to keep Connecticut faithful to the sound moderation of her past. His concern for his country did not end with his attack on Deism or his attempts to broaden and improve Yale's curriculum and organization. He was as convinced of America's peculiar mission as the most enthusiastic democrat. Because of his belief in that mission, Dwight would have had his country produce her own literature as she had already produced her own society and her own religion. He was one of the group of Connecticut amateurs who are known as the "Hartford Wits."

Uninspired as his verse is apt to be, Dwight at least considered the history and landscape of his own country worthy of a poet's attention. That same regard for familiar things is shown in his *Travels in New England and New York*. Though even the "set pieces" of scenic description are prosy, Dwight's reports show the shrewd witness and the lover of his land. Even in his faults, Dwight preserved the image of the country which he was certain had learned to lead the good life.

The selection used here is taken from *Travels in New England and New York* (4 vols., London, 1823).

Travels in New England and New York

BY TIMOTHY DWIGHT

Letter V: Vindication of the Establishment of the Public Worship of God by Law

In the preceding Letter I have given you, if I mistake not, a complete account of what has been often, though improperly, called the Ecclesiastical Establishment of Connecticut. This phrase, as applied to other countries, has usually, if not always, denoted the establishment of a national, or state church; or the establishment of exclusive privileges in the possession of one class of Christians. To Connecticut, therefore, it can have no proper application; because in this state all classes of Christians are placed on the same level. Formerly the case was different. A religious establishment existed in the colony of Connecticut, antecedently to the revolution; and gave exclusive privileges to the Congregationalists; the class of people, by whom it was originally settled. This has been changed for the system, detailed above. Whatever advantages, or disadvantages, therefore, may be supposed to attach to religious establishments in the appropriate sense, they can have only a partial relation to the ecclesiastical system of Connecticut. The principal arguments in favour of such establishments, and the principal objections against them, can be applied to it only in the same imperfect manner. In my own view the system might, in better language, be styled "The legal establishment of the public worship of God in this state."

I have brought all the parts of this system into one view, because they are all parts of a single design, naturally expressed by the phrase, adopted in the preceding sentence, and because I wished you to see them in their connection with each other. In this scheme you will see the whole country formed into religious congregations, styled ecclesiastical societies. These societies are vested with ample powers to tax themselves, to collect taxes, to hold property, to receive donations, and to manage their property for the purpose of building and repairing churches, and maintaining the public worship of God. This worship they are required to attend, churches they are required to build, and ministers they are required to settle and support. In doing these several things they are secured, so far as may be, against intrusion, opposition, interruption, and even indecency from others. The great object in view, the public worship of God, is required, provided for, enforced, and defended. Some of the means, by which it is to be accomplished, are pointed out; and all, which can consist with the certain attainment of the object, are left to the societies themselves.

You cannot but have perceived, that all classes of Christians are here invested by law with the same privileges. You must also have perceived, that ample provision is made for all those changes of opinion, and those scruples of conscience, which, where they honestly exist, are entitled to tenderness and respect; for which men very jealously claim regard; and which, therefore, demand regard from every wise legislature.

If it be admitted, as by the sentence of both reason and revelation it ought to be, that a legislature has a right to establish the worship of God; it will also be admitted, that the legislature of Connecticut has adopted a wise and liberal system for this important purpose. They have done most of that which is necessary, and nothing which is not necessary, to this end. So far as is consistent with the design, they have also placed every thing in the hands of those, who are chiefly concerned; and left them to the guidance of their own choice. At the same time they have made them responsible to the proper tribunal, the supreme authority of the state.

There are two classes of men, who contend against the interference of the legislature for the support of public worship: those, who consider it as inexpedient; and those, who regard it as unlawful.

On this subject it would be easy to fill a volume. It cannot be supposed, that I can here discuss it at length; nor that, if this were in my power, you would with patience read the discussion. But it has been so often a theme of contention and complaint, on this as well as on the other side of the Atlantic, and particularly in the states south of New-England, as to render it proper to examine the subject with some degree of minuteness, even here. To the former of these classes, then, I address the following observations.

The legislature of every state is the proper superintendant of all its prudential concerns. It has not only a right, but is obliged by an authority, which it can neither oppose nor question, to pursue every lawful and expedient measure for the promotion of the public welfare. To this great purpose religion in every country is not only useful, but indispensable. But religion cannot exist, and has never existed for any length of time, without public worship. As every man ought,

therefore, willingly to contribute to the support of whatever increases his own prosperity; he is by immoveable consequence obliged to support the religion, which, by increasing the common prosperity, increases of course his own.

Should an advocate for the doctrine, which I oppose, demand proof, that religion is indispensable to the welfare of a free country, this is my answer. Morality, as every sober man, who knows any thing of the subject, discerns with a glance, is merely a branch of religion: and where there is no religion, there is no morality. Moral obligation has its sole ground in the character and government of God. But where God is not worshipped, his character will soon be disregarded; and the obligation, founded on it, unfelt and forgotten. No duty, therefore, to individuals, or to the public, will be realized or performed. Justice, kindness, and truth, the great hinges on which free society hangs, will be unpractised, because there will be no motives to the practice, of sufficient force to resist the passions of man. Oaths of office, and of testimony, alike, without the sanctions of religion, are merely solemn farces. Without the sense of accountableness to God, without the realizing belief of a future retribution, they are employed only to insult the Creator, deprave the juror, and cheat his fellow-men. This sense nothing but religion can inspire or preserve. With the loss of religion, therefore, the ultimate foundation of confidence is blown up; and the security of life, liberty, and property buried in the ruins.

In aid of these observations I allege, that no free government has ever existed for any time without the support of religion. Athens, Sparta, and Rome, stood and fell with their religion, false and gross as it was; because it contained some of those great truths, and solemn sanctions, without which man can possess no conscience, exercise no virtue, and find no safety. To their religion, Britain, Switzerland, and the United Netherlands, have owed most of their happiness and their permanency; and might say to this celestial denizen, in every period of their prosperity, as the devout and humble Christian to his God, "Having obtained help of thee, we have continued to this time."

In the history of the globe there is recorded but one attempt, seriously made, to establish a free government without religion. From this attempt has sprung new proof, that such a government, stripped of this aid, cannot exist. The government, thus projected, was itself never established; but was a mere abortion; exhibiting doubtful signs of life at its birth, and possessing this dubious existence only as an ephemeron. During its diurnal life it was the greatest scourge, particularly to those for whom it was formed, and generally to the rest of mankind, which the world has ever seen. Instead of being a free, just, and beneficent system of administration, it was more despotic than a Persian caliphate; more wasteful of life, and all its blessings, than an inundation of Goths and Vandals. Those who lived under it, and either originated or executed its measures, were the authors of more crimes than any collection of men, since the termination of that gigantic wickedness, from which nothing but an universal deluge could cleanse this polluted world.

These evils, my antagonist is further to be informed, were the result of the only experiment, ever made, of erecting a government without religion. They are the only specimen of the genuine efficacy of infidelity and atheism on the mind and on the happiness of man, during the only opportunity, which they have enjoyed, of possessing an unlimited control over human affairs. Until the remembrance of this experiment shall have been lost, it can never be made again.

Finally, he is to be informed, that it is wiser, more humane, and more effectual, to prevent crimes than to punish them. He is to be told, what he cannot deny, that religion is the only great preventive of crimes; and contributes more, in a far more desirable manner, to the peace and good order of society, than the judge and the sheriff, the gaol and the gibbet united. He is to be reminded, that mankind, with all the influence of religion added to that of the civil government, are still imperfectly governed; are less orderly, peaceful, and friendly to each other, than humanity must wish; and that, therefore, he who would willingly lessen this influence is a fool, he who would destroy it a madman.

I am well aware, that, in spite of this and any other reasoning, in spite of demonstration itself, there are men, who may, and in all probability will, say, that, however good and useful the public worship of God may be, they do not wish to avai themselves of its benefits, and owe therefore no contributions to its support. To these men I reply, that he who has no children, or who does not wish to send his children to school, and he who does not use the roads and bridges of his country, because he is either necessitated or inclined to stay at home, may on exactly the same ground claim an exemption from supporting schools, roads, and bridges. To such an objector it is a sufficient answer, that these things enter into all the happiness which he enjoys, and that without them he and his countrymen would be hermits and savages. Without religion man becomes in a short time a

beast of prey, and wastes the happiness of his fellow-men with as little remorse as the wolf or the tiger, and to a degree which leaves their ravages out of remembrance. Even if this were not the melancholy fact, the list of individual enjoyments is as much more valuable in a community where religion prevails, than where it does not, as the safety, peace, and pleasure of civilized society are more desirable than the exposure, discord, and misery produced by the furious and malignant passions of uncultivated man.

Those, who consider the legislature in supporting the public worship of God as doing that which is unlawful, found this doctrine upon what they conceive to be revelation. In support of it they allege such things as the following: that Christ has declared his kingdom not to be of this world, that the gates of Hell shall never prevail against it, and that he said to the apostles, "Freely ye have received, freely give;" together with various other things of the like nature.

Every man, who soberly alleges scruples of conscience in any case, has a claim to be answered with seriousness and delicacy. To this class of objectors, therefore, I answer, When Christ declared his kingdom not to be of this world, he had not even the remotest reference to the subject in hand. He merely replied to the accusation, which the Jews brought against him to Pilate, *viz.* that he claimed to be a king, and was therefore a rebel against the government of Cæsar.

It is however admitted in the fullest sense, that the kingdom of Christ is not of this world; that, as Christ declared, it is within man; and that, as St. Paul declares, it consists in "righteousness, peace, and joy in the Holy Ghost." But I ask, what reference had this to the point in debate? For myself I confess, I am unable to see the application of it so far as to find any thing to be answered. In the interference of the magistrate to support the public worship of God, there is not even a reference to this doctrine, either friendly or hostile. Nor can I conceive how man can intermeddle with the subject at all, unless by declaring himself to be the author of regeneration, or to be able and disposed to resist the real author, the Holy Ghost. When the public support of the worship of God shall be shown to be unfavourable to the existence of regeneration, or to the disposition produced by it, and thus to oppose the spiritual kingdom of Christ, it will then be a proper time to cite this text as an argument against such an interference of the legislature. But should their interference be favourable to this great purpose, as, if we argue from all human experience, it must be, he, who understanding the subject would hinder it, must renounce every pretension to the character of a Christian.

"But Christ," it is said, "has promised, that the gates of Hell shall never prevail against his church; and, as he himself has engaged to support it, the aid of the civil magistrate can neither be necessary nor proper." This promise I believe without a doubt; but the inference I shall take the liberty to question. The promise is this, and nothing but this: that there shall be, throughout the ages of time, a church of Christ in the world. It contains not, therefore, the least encouragement, that for any length of time the kingdom of Christ will exist in any given country. In perfect accordance with this promise, Great Britain may be the seat of Christianity, and New-England a forest of savages, or a revelling house of infidels. But the first and great concern of the people of New-England is to secure the blessings of this kingdom to themselves, and to their posterity. To this object I assert, in contradiction to the above mentioned inference, that the aid of the magistrate is both proper and necessary. Miracles have ceased. The extraordinary and immediately perceptible agency of Christ in this business cannot therefore be expected, and will not be employed. Whatever is to be done, except the work of sanctification, which man cannot do, is to be done by man as the instrument of his Maker. Man is to "plant, and water;" and then, and then only, is warranted either to hope, or to pray, that "God will give the increase."

Men are to build churches; to qualify themselves to become ministers of the Gospel; to preach the Gospel; to settle ministers; to support them when they are settled; to secure to them that support, that they may be enabled to fulfil the duty of "providing for their own households," and thus be safe from the charge of having "denied the faith, and being worse than infidels." Of this safety there is no other possible foundation but a contract. Every contract, which is not immoral, or of which the fulfilment is not impossible, the legislature of every country, especially of every Christian country, is not only authorized, but, so far as it is able, bound to enforce. In this manner, and in this only, will they and their children be furnished with ministers, qualified to teach them divine knowledge, and to impress on their hearts the duties of the Gospel. In this manner only will they secure themselves and their children from being left to the guidance of ignorant men, who, instead of being qualified to teach, are neither able nor willing to learn.

In this manner will they shut out of the desk men, to whom common sense instinctively cries, "Physician, heal thyself." These men, who in all countries have been the disturbers of ecclesiastical peace and good order, will in this manner, and in this only, be silenced. For no body of decent men will vote a decent fixed salary to a person of this character.

But it is said, that "the apostles received freely," and were commanded "freely to give." The apostles, on a miraculous mission, and endured with miraculous powers, were commanded "to heal the sick, to cleanse the lepers, to raise the dead. to cast out devils, and to preach," as they went, "saying, The Kingdom of Heaven is at hand." The supernatural powers by which these miracles were to be wrought, and which they had received freely from the bounty of Christ, they were commanded to exercise freely for the benefit of those, by whom they should be welcomed into their cities and houses. Is this the commission under which ministers now act? If it is, let them obey its call, as did the apostles. Particularly, "let them provide neither gold, nor silver, nor brass, in their purses, nor scrip, nor two coats, nor shoes, nor yet staves." According to this very commission, they are forbidden to preach the Gospel to any, who will not furnish them with these things. Against those, who do not perform this duty, they are directed "to shake off the dust of their feet:" and it is declared, "that it shall be more tolerable for Sodom and Gomorrah, in the day of judgment, than for them."

The ninth chapter of 1st Corinthians has settled this point for ever. Here Christ has ordained, that "they, who preach the Gospel, shall live of the Gospel." To cut off all debate, so far as debate can be cut off, St. Paul has sanctioned the ordinance, that "they, who preach the Gospel, shall live of the Gospel," by an appeal to the law of Moses, the express injunction of Christ, and the authority of his own inspiration.

But why, it will be asked, may not this living be furnished by a voluntary contribution? There are undoubtedly cases in which it may. In large towns, congregations may be ordinarily gathered, sufficiently numerous, and sufficiently liberal, to build one or more churches, and to support one or more ministers. In smaller towns this would ordinarily be impossible; and I suppose the objector himself will admit, that it is at least as necessary for the inhabitants of smaller towns to have ministers as for those of cities; especially as they constitute the mass of people in all countries. In such towns the whole burthen of supporting ministers by contribution would fall upon a few individuals. But these could not sustain this burthen, and ministers, of course, could not live. In such towns, therefore, there will upon this plan be no ministers; I mean none such as the Gospel requires: "Workmen who need not to be ashamed; who rightly divide the word of truth; who give attendance to reading, to exhortation, and to doctrine; who meditate upon these things, and give themselves wholly to them; so that their profiting may appear unto all."

Besides, St. Paul, 1 Cor. xvi, has determined, that a tax is the right and proper manner of doing all this. In the second verse, he commands the Corinthians "to lay by them somewhat," as a contribution to the relief of their fellow Christians; "every man as God had prospered them." Between contributions for their fellow Christians and contributions for ministers there is no moral difference. The contribution of a sum, in proportion to the prosperity God has given men, is a tax: for a tax is nothing but a regular and proportional contribution. This proportion cannot be established but by authority; for, except by authority, men cannot be required to render an account of their circumstances. Nor can any proportion approach so near to equity as that, which is formed under the direction of the legislature. Here, then, the rule of St. Paul, the rule established by God, is as exactly pursued as it can be by human wisdom: and, if it was a right rule in one ecclesiastical case, it is a rule equally right in every other.

If we look to facts; we shall find the same doctrine supported with illustrious evidence. In the year 1793 I was a member of the general assembly of the Presbyterian church. There were then, if I do not misremember, four hundred and twelve congregations, belonging to this church, within the United States, south of New-England; and two hundred and nine congregations in the state of Connecticut alone. To supply these Presbyterian congregations, there were two hundred and four ministers. In Connecticut there were, in the year 1790, 237,946 inhabitants, and in the states south of New-England, 2,920,478. In the year 1798 there were, belonging to the Presbyterian church, two hundred and forty-two ministers; of whom thirty-three were without any charge; or, in the language of New-England, were not *settled ministers*. Two hundred and nine ministers, therefore, supplied, so far as they were supplied at all, the whole number of Presbyterian congregations south of New-England. The number of congregations at that time cannot be ascertained, as the re-

turns were in this respect imperfect. These ministers supplied two hundred and ninety congregations; eighty-one being what are called pluralities: and there were one hundred and forty-two vacancies returned. Five presbyteries made no returns of the vacancies within their bounds. If we suppose the vacancies in these presbyteries to be eighteen, the number will be one hundred and sixty. This number will make the whole four hundred and thirty. With this numerous train of vacancies, there were thirty ministers still, who were unsettled. It follows irresistibly, either that the congregations were so small as to be unable to support ministers, or so indifferent to religion as to be unwilling.

The number of vacancies in Connecticut, at that time, I am unable precisely to ascertain. Twenty may perhaps be assumed as the probable number. There were then, at that time within the state, one hundred and eighty-nine ministers.

In the year 1800, there were in Connecticut 251,002 inhabitants; and, in the states south of New-England, 4,033,775. The whole account, according to this estimate, will stand thus.

There were, in 1798,

	Congregations	*Ministers*	*Vacancies*	*Pluralities*	*Ministers not settled*	*Inhabitants*
In Connecticut	209	189	20	0	5	251,002
In the states south of New-England	430	242	160	81	33	4,033,776

In Connecticut, then, a sixteenth of the number of inhabitants form two hundred and nine congregations, and support one hundred and eighty-nine ministers. Of these congregations, twenty were vacant, and five of the ministers were unsettled. In the states south of New-England, sixteen times the number of inhabitants formed four hundred and thirty congregations, of which eighty-one were pluralities, and one hundred and sixty were vacant, or without ministers. The ministers supported and settled were two hundred and nine. If these states contained congregations, and were supplied with ministers in the same proportion as Connecticut, the whole number of congregations would be three thousand three hundred and forty-four; and the whole number of ministers settled and supported would be three thousand and twenty-four. In this estimate we have a fair specimen of the natural consequence of establishing or neglecting to establish the public worship of God by the law of the land. In Connecticut every inhabitant, who is not precluded by disease or inclination, may hear the Gospel, and celebrate the public worship of God, every sabbath. In the states specified it is not improbable, that a number of people, several times as great as the census of Connecticut, have scarcely heard a sermon or a prayer in their lives.

The only objection, which I can foresee, against this estimate is, that although the number of Presbyterian congregations in Connecticut is much greater in proportion than that in the states specified, yet this difference is, to a great extent, lessened by the superior proportion of congregations, formed by other classes of Christians in those states. The number of Episcopal congregations in Connecticut, including twenty-six pluralities, is sixty-one; the number of Baptist congregations sixty-seven; making in the aggregate one hundred and twenty-eight. It is doubted whether a correct estimate of the congregations, formed by these and other classes of Christians, in the two fields of inquiry, would be materially different from that which has been already given. This estimate, however, cannot be made, there being no data from which it may be derived. I have chosen the Presbyterian congregations as the subject of inquiry, because the numbers were attainable from returns in my possession.

An examination of the religious state of Massachusetts would have given a result not essentially different.

In a happy conformity to this estimate, and the scheme here supported, has been the prevalence of religion in these two states. It is doubted whether there is a collection of ministers in the world, whose labours have been more prosperous, or under whose preaching a greater proportion of those who heard them have become the subjects of real piety. I know of no country in which revivals of religion have been so frequent, or in proportion to the number of inhabitants so extensive, as in these two states. God, therefore, may be considered as having thus far manifested his own approbation of the system. If at the same time we advert to the peace, the good order, the regular distribution of justice, the universal existence of schools, the universal enjoyment of the education which they communicate, and the extension of superior education, it will be difficult for a sober man not to perceive, that the smiles of Heaven have regularly accompanied this system from its commencement to the present time. I need not, however, have gone any further for the illustration of this subject than to a comparison of the states of Rhode-Island and Connecticut. The for-

mer of these, independently of Providence, Newport, and two or three other small towns, is in all these important particulars a mere contrast to the latter. Yet these states were planted by colonies from the same nation, lie in the same climate, and are separated merely by a meridional line. A sober man, who knows them both, can hardly hesitate, whatever may have been his original opinion concerning this subject, to believe, that a legislature is bound to establish the public worship of God.

THE AMERICAN SCENE

VIRGINIA

In 1781, the secretary of the French Legation at Philadelphia made an effort to learn something of the country to which he was accredited. Among the people he questioned was the governor of Virginia. The problems of a state in the turmoil of invasion were too acute to allow Jefferson to make any immediate reply but consideration of the secretary's queries provoked the reflections which were printed in Paris as the *Notes on Virginia* (1784).

It is the mind of Thomas Jefferson (1743–1826) rather than the social scene of Revolutionary Virginia that the *Notes* actually portray. Jefferson defends the American Indian from European slurs. He sees slavery as an unqualified wrong inflicted on Virginia by the policy of a foreign government, and now so interwoven with her economy that eliminating the ill may all but ruin the patient. But for Jefferson a wrong did not become less in proportion to the number of people it profited. In this, the only sustained work in all the bulk of Jefferson's published writings, he sets out his social ideals: complete religious liberty, since the relation between a man and his God is of no concern to any other man, or to society; the preservation of the small freeholder, since only economically independent men can be sufficiently free of external pressure to make republican government function; and an adequate system of education, since only knowledge would equip the electorate with the judgment necessary to proper exercise of the franchise.

Those three problems continued to exercise Jefferson through all the years of his life. He fought to leave men free in their faith, and the expression of that fight was the Virginia Statute of Religious Liberty. He fought to keep American society based on farmers who held their land unburdened by taxes laid to support the schemes of stockjobbers. The expression of that fight is Jefferson's opposition to the Hamiltonian program of strengthening the Federal government and drawing the moneyed classes to its support. Education remained Jefferson's concern to the end; the last diversion of his life was the establishment of the University of Virginia.

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Notes on Virginia

BY THOMAS JEFFERSON

QUERY: THE NUMBER OF ITS INHABITANTS?

. . . DURING THE INFANCY of the colony, while numbers were small, wars, importations, and other accidental circumstances render the progression fluctuating and irregular. By the year 1654, however, it becomes tolerably uniform, importations having in a great measure ceased from the dissolution of the company, and the inhabitants become too numerous to be sensibly affected by Indian wars. Beginning at that period, therefore, we find that from thence to the year 1772, our tythes had increased from 7,209 to 153,000. The whole term being of one hundred and eighteen years, yields a duplication once in every twenty-seven and a quarter years. The intermediate enumerations taken in 1700, 1748, and 1759, furnish proofs of the uniformity of this progression. Should this rate of increase continue, we shall have between six and seven millions of inhabitants within ninety-

five years. If we suppose our country to be bounded, at some future day, by the meridian of the mouth of the Great Kanhaway, (within which it has been before conjectured, are 64,461 square miles) there will then be one hundred inhabitants for every square mile, which is nearly the state of population in the British Islands.

Here I will beg leave to propose a doubt. The present desire of America is to produce rapid population by as great importations of foreigners as possible. But is this founded in good policy? The advantage proposed is the multiplication of numbers. Now let us suppose (for example only) that, in this state, we could double our numbers in one year by the importation of foreigners; and this is a greater accession than the most sanguine advocate for emigration has a right to expect. Then I say, beginning with a double stock, we shall attain any given degree of population only twenty-seven years, and three months sooner than if we proceed on our single stock. If we propose four millions and a half as a competent population for this State, we should be fifty-four and a half years attaining it, could we at once double our numbers; and eighty-one and three quarters years, if we rely on natural propagation, as may be seen by the following tablet:

	Proceeding on our present stock	*Proceeding on a double stock*
1781	567,614	1,135,228
1808¼	1,135,228	2,270,456
1835½	2,270,456	4,540,912
1862¾	4,540,912	

In the first column are stated periods of twenty-seven and a quarter years; in the second are our numbers at each period, as they will be if we proceed on our actual stock; and in the third are what they would be, at the same periods, were we to set out from the double of our present stock. I have taken the term of four million and a half of inhabitants for example's sake only. Yet I am persuaded it is a greater number than the country spoken of, considering how much inarable land it contains, can clothe and feed without a material change in the quality of their diet. But are there no inconveniences to be thrown into the scale against the advantage expected from a multiplication of numbers by the importation of foreigners? It is for the happiness of those united in society to harmonize as much as possible in matters which they must of necessity transact together. Civil government being the sole object of forming societies, its administration must be conducted by common consent. Every species of government has its specific principles. Ours perhaps are more peculiar than those of any other in the universe. It is a composition of the freest principles of the English constitution, with others derived from natural right and natural reason. To these nothing can be more opposed than the maxims of absolute monarchies. Yet from such we are to expect the greatest number of emigrants. They will bring with them the principles of the governments they leave, imbibed in their early youth; or, if able to throw them off, it will be in exchange for an unbounded licentiousness, passing, as is usual, from one extreme to another. It would be a miracle were they to stop precisely at the point of temperate liberty. These principles, with their language, they will transmit to their children. In proportion to their numbers, they will share with us the legislation. They will infuse into it their spirit, warp and bias its directions, and render it a heterogenous, incoherent, distracted mass. I may appeal to experience, during the present contest, for a verification of these conjectures. But, if they be not certain in event, are they not possible, are they not probable? Is it not safer to wait with patience twenty-seven years and three months longer, for the attainment of any degree of population desired or expected? May not our government be more homogeneous, more peaceable, more durable? Suppose twenty millions of republican Americans thrown all of a sudden into France, what would be the condition of that kingdom? If it would be more turbulent, less happy, less strong, we may believe that the addition of half a million of foreigners to our present numbers would produce a similar effect here. If they come of themselves they are entitled to all the rights of citizenship; but doubt the expediency of inviting them by extraordinary encouragements. I mean not that these doubts should be extended to the importation of useful artificers. The policy of that measure depends on very different considerations. Spare no expense in obtaining them. They will after a while go to the plough and the hoe; but, in the mean time, they will teach us something we do not know. It is not so in agriculture. The indifferent state of that among us does not proceed from a want of knowledge merely; it is from our having such quantities of land to waste as we please. In Europe the object is to make the most of their land, labor being abundant; here it is to make the most of our labor land being abundant. . . .

QUERY: THE CONSTITUTION OF THE STATE AND ITS SEVERAL CHARTERS?

'. . . This constitution was formed when we were new and unexperienced in the science of

government. It was the first, too, which was formed in the whole United States. No wonder then that time and trial have discovered very capital defects in it.

1. The majority of the men in the State, who pay and fight for its support, are unrepresented in the legislature, the roll of freeholders entitled to vote not including generally the half of those on the roll of the militia, or of the tax-gatherers.

2. Among those who share the representation, the shares are very unequal. Thus the county of Warwick, with only one hundred fighting men, has an equal representation with the county of Loudon, which has one thousand seven hundred and forty-six. So that every man in Warwick has as much influence in the government as seventeen men in Loudon. But lest it should be thought that an equal interspersion of small among large counties, through the whole State, may prevent any danger of injury to particular parts of it, we will divide it into districts, and show the proportions of land, of fighting men, and of representation in each:

	Square Miles	*Fighting Men*	*Delegates*	*Senators*
Between the sea-coast and falls of the rivers	11,205	19,012	71	12
Between the falls of the rivers and Blue Ridge of mountains	18,759	18,828	46	8
Between the Blue Ridge and the Alleghany	11,911	7,673	16	2
Between the Alleghany and Ohio	79,650	4,458	16	2
Total	121,525	49,971	149	24

An inspection of this table will supply the place of commentaries on it. It will appear at once that nineteen thousand men, living below the falls of the rivers, possess half the senate, and want four members only of possessing a majority of the house of delegates; a want more than supplied by the vicinity of their situation to the seat of government, and of course the greater degree of convenience and punctuality with which their members may and will attend in the legislature. These nineteen thousand, therefore, living in one part of the country, give law to upwards of thirty thousand living in another, and appoint all their chief officers, executive and judiciary. From the difference of their situation and circumstances, their interests will often be very different.

3. The senate is, by its constitution, too homogeneous with the house of delegates. Being chosen by the same electors, at the same time, and out of the same subjects, the choice falls of course on men of the same description. The purpose of establishing different houses of legislation is to introduce the influence of different interests or different principles. Thus in Great Britain it is said their constitution relies on the house of commons for honesty, and the lords for wisdom; which would be a rational reliance, if honesty were to be bought with money, and if wisdom were hereditary. In some of the American States, the delegates and senators are so chosen, as that the first represent the persons, and the second the property of the State. But with us, wealth and wisdom have equal chance for admission into both houses. We do not, therefore, derive from the separation of our legislature into two houses, those benefits which a proper complication of principles are capable of producing, and those which alone can compensate the evils which may be produced by their dissensions.

4. All the powers of government, legislative, executive, and judiciary, result to the legislative body. The concentrating these in the same hands is precisely the definition of despotic government. It will be no alleviation that these powers will be exercised by a plurality of hands, and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one. Let those who doubt it turn their eyes on the republic of Venice. As little will it avail us that they are chosen by ourselves. An *elective despotism* was not the government we fought for, but one which should not only be founded on free principles, but in which the powers of government should be so divided and balanced among several bodies of magistracy, as that no one could transcend their legal limits, without being effectually checked and restrained by the others. For this reason that convention which passed the ordinance of government, laid its foundation on this basis, that the legislative, executive, and judiciary departments should be separate and distinct, so that no person should exercise the powers of more than one of them at the same time. But no barrier was provided between these several powers. The judiciary and executive members were left dependent on the legislative, for their subsistence in office, and some of them for their continuance in it. If, therefore, the legislature assumes executive and judiciary powers, no opposition is likely to be made; nor, if made, can it be effectual; because in that case they may put their proceedings into the form of an act of assembly, which will render them obligatory on the other branches. They have, accordingly, in many instances, decided rights which should have been left to judiciary controversy; and the direction of the executive, during

the whole time of their session, is becoming habitual and familiar. And this is done with no ill intention. The views of the present members are perfectly upright. When they are led out of their regular province, it is by art in others, and inadvertence in themselves. And this will probably be the case for some time to come. But it will not be a very long time. Mankind soon learn to make interested uses of every right and power which they possess, or may assume. The public money and public liberty, intended to have been deposited with three branches of magistracy, but found inadvertently to be in the hands of one only, will soon be discovered to be sources of wealth and dominion to those who hold them; distinguished, too, by this tempting circumstance, that they are the instrument, as well as the object of acquisition. With money we will get men, said Cæsar, and with men we will get money. Nor should our assembly be deluded by the integrity of their own purposes, and conclude that these unlimited powers will never be abused, because themselves are not disposed to abuse them. They should look forward to a time, and that not a distant one, when a corruption in this, as in the country from which we derive our origin, will have seized the heads of government, and be spread by them through the body of the people; when they will purchase the voices of the people, and make them pay the price. Human nature is the same on every side of the Atlantic, and will be alike influenced by the same causes. The time to guard against corruption and tyranny, is before they shall have gotten hold of us. It is better to keep the wolf out of the fold, than to trust to drawing his teeth and claws after he shall have entered— . . .

QUERY: THE ADMINISTRATION OF JUSTICE AND THE DESCRIPTION OF THE LAWS?

. . . Another object of the revisal is to diffuse knowledge more generally through the mass of the people. This bill proposes to lay off every county into small districts of five or six miles square, called hundreds, and in each of them to establish a school for teaching reading, writing, and arithmetic. The tutor to be supported by the hundred, and every person in it entitled to send their children three years gratis, and as much longer as they please, paying for it. These schools to be under a visitor who is annually to choose the boy of best genius in the school, of those whose parents are too poor to give them further education, and to send him forward to one of the grammar schools, of which twenty are proposed to be erected in different parts of the country, for teaching Greek, Latin, geography, and the higher branches of numerical arithmetic. Of the boys thus sent in any one year, trial is to be made at the grammar schools one or two years, and the best genius of the whole selected, and continued six years, and the residue dismissed. By this means twenty of the best geniuses will be raked from the rubbish annually, and be instructed, at the public expense, so far as the grammar schools go. At the end of six years' instruction, one-half are to be discontinued (from among whom the grammar schools will probably be supplied with future masters); and the other half, who are to be chosen for the superiority of their parts and disposition, are to be sent and continued three years in the study of such sciences as they shall choose, at William and Mary College, the plan of which is proposed to be enlarged, as will be hereafter explained, and extended to all the useful sciences. The ultimate result of the whole scheme of education would be the teaching all the children of the State reading, writing, and common arithmetic; turning out ten annually, of superior genius, well taught in Greek, Latin, geography, and the higher branches of arithmetic; turning out ten others annually, of still superior parts, who, to those branches of learning, shall have added such of the sciences as their genius shall have led them to; the furnishing to the wealthier part of the people convenient schools at which their children may be educated at their own expense. The general objects of this law are to provide an education adapted to the years, to the capacity, and the condition of every one, and directed to their freedom and happiness. Specific details were not proper for the law. These must be the business of the visitors entrusted with its execution. The first stage of this education being the schools of the hundreds, wherein the great mass of the people will receive their instruction, the principal foundations of future order will be laid here. Instead, therefore, of putting the Bible and Testament into the hands of the children at an age when their judgments are not sufficiently matured for religious inquiries, their memories may here be stored with the most useful facts from Grecian, Roman, European and American history. The first elements of morality too may be installed into their minds; such as, when further developed as their judgments advance in strength, may teach them how to work out their own greatest happiness, by showing them that it does not depend on the condition of life in which chance has placed them, but is always the result of a good conscience, good health, occupation, and freedom in all just pursuits. Those whom either the wealth

of their parents or the adoption of the State shall destine to higher degrees of learning, will go on to the grammar schools, which constitute the next stage, there to be instructed in the languages. The learning Greek and Latin, I am told, is going into disuse in Europe. I know not what their manners and occupations may call for; but it would be very ill-judged in us to follow their example in this instance. There is a certain period of life, say from eight to fifteen or sixteen years of age, when the mind like the body is not yet firm enough for laborious and close operations. If applied to such, it falls an early victim to premature exertion; exhibiting, indeed, at first, in these young and tender subjects, the flattering appearance of their being men while they are yet children, but ending in reducing them to be children when they should be men. The memory is then most susceptible and tenacious of impressions; and the learning of languages being chiefly a work of memory, it seems precisely fitted to the powers of this period, which is long enough, too, for acquiring the most useful languages, ancient and modern. I do not pretend that language is science. It is only an instrument for the attainment of science. But that time is not lost which is employed in providing tools for future operation; more especially as in this case the books put into the hands of the youth for this purpose may be such as will at the same time impress their minds with useful facts and good principles. If this period be suffered to pass in idleness, the mind becomes lethargic and impotent, as would the body it inhabits if unexercised during the same time. The sympathy between body and mind during their rise, progress and decline, is too strict and obvious to endanger our being misled while we reason from the one to the other. As soon as they are of sufficient age, it is supposed they will be sent on from the grammar schools to the university, which constitutes our third and last stage, there to study those sciences which may be adapted to their views. By that part of our plan which prescribes the selection of the youths of genius from among the classes of the poor, we hope to avail the State of those talents which nature has sown as liberally among the poor as the rich, but which perish without use, if not sought for and cultivated. But of all the views of this law none is more important, none more legitimate, than that of rendering the people the safe, as they are the ultimate, guardians of their own liberty. For this purpose the reading in the first stage, where *they* will receive their whole education, is proposed, as has been said, to be chiefly historical. History, by apprising them of the past, will enable them to judge of the future; it will avail them of the experience of other times and other nations; it will qualify them as judges of the actions and designs of men; it will enable them to know ambition under every disguise it may assume; and knowing it, to defeat its views. In every government on earth is some trace of human weakness, some germ of corruption and degeneracy, which cunning will discover, and wickedness insensibly open, cultivate, and improve. Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositories. And to render even them safe, their minds must be improved to a certain degree. This indeed is not all that is necessary, though it be essentially necessary. An amendment of our constitution must here come in aid of the public education. The influence over government must be shared among all the people. If every individual which composes their mass participates of the ultimate authority, the government will be safe; because the corrupting the whole mass will exceed any private resources of wealth; and public ones cannot be provided but by levies on the people. In this case every man would have to pay his own price. The government of Great Britain has been corrupted, because but one man in ten has a right to vote for members of parliament. The sellers of the government, therefore, get nine-tenths of their price clear. It has been thought that corruption is restrained by confining the right of suffrage to a few of the wealthier of the people; but it would be more effectually restrained by an extension of that right to such members as would bid defiance to the means of corruption.

Lastly, it is proposed, by a bill in this revisal, to begin a public library and gallery, by laying out a certain sum annually in books, paintings, and statues. . . .

QUERY: THE PARTICULAR CUSTOMS AND MANNERS THAT MAY HAPPEN TO BE RECEIVED IN THAT STATE?

It is difficult to determine on the standard by which the manners of a nation may be tried, whether *catholic* or *particular*. It is more difficult for a native to bring to that standard the manners of his own nation, familiarized to him by habit. There must doubtless be an unhappy influence on the manners of our people produced by the existence of slavery among us. The whole commerce between master and slave is a perpetual exercise of the most boisterous passions, the most unremitting despotism on the one part, and degrading submissions on the other. Our children see this, and learn

to imitate it; for man is an imitative animal. This quality is the germ of all education in him. From his cradle to his grave he is learning to do what he sees others do. If a parent could find no motive either in his philanthropy or his self-love, for restraining the intemperance of passion towards his slave, it should always be a sufficient one that his child is present. But generally it is not sufficient. The parent storms, the child looks on, catches the lineaments of wrath, puts on the same airs in the circle of smaller slaves, gives a loose to the worst of passions, and thus nursed, educated, and daily exercised in tyranny, cannot but be stamped by it with odious peculiarities. The man must be a prodigy who can retain his manners and morals undepraved by such circumstances. And with what execration should the statesman be loaded, who, permitting one-half the citizens thus to trample on the rights of the other, transforms those into despots, and these into enemies, destroys the morals of the one part, and the *amor patriæ* of the other. For if a slave can have a country in this world, it must be any other in preference to that in which he is born to live and labor for another; in which he must lock up the faculties of his nature, contribute as far as depends on his individual endeavors to the evanishment of the human race, or entail his own miserable condition on the endless generations proceeding from him. With the morals of the people, their industry also is destroyed. For in a warm climate, no man will labor for himself who can make another labor for him. This is so true, that of the proprietors of slaves a very small proportion indeed are ever seen to labor. And can the liberties of a nation be thought secure when we have removed their only firm basis, a conviction in the minds of the people that these liberties are of the gift of God? That they are not to be violated but with His wrath? Indeed I tremble for my country when I reflect that God is just; that his justice cannot sleep forever; that considering numbers, nature and natural means only, a revolution of the wheel of fortune, an exchange of situation is among possible events; that it may become probable by supernatural interference! The Almighty has no attribute which can take side with us in such a contest. But it is impossible to be temperate and to pursue this subject through the various considerations of policy, of morals, of history natural and civil. We must be contented to hope they will force their way into every one's mind. I think a change already perceptible, since the origin of the present revolution. The spirit of the master is abating, that of the slave rising from the dust, his condition mollifying, the way I hope preparing, under the auspices of heaven, for a total emancipation, and that this is disposed, in the order of events, to be with the consent of the masters, rather than by their extirpation.

Query: The Public Income and Expenses?

. . . To this estimate of our abilities, let me add a word as to the application of them, if, when cleared of the present contest, and of the debts with which that will charge us, we come to measure force hereafter with any European power. Such events are devoutly to be deprecated. Young as we are, and with such a country before us to fill with people and with happiness, we should point in that direction the whole generative force of nature, wasting none of it in efforts of mutual destruction. It should be our endeavor to cultivate the peace and friendship of every nation, even of that which has injured us most, when we shall have carried our point against her. Our interest will be to throw open the doors of commerce, and to knock off all its shackles, giving perfect freedom to all persons for the vent of whatever they may choose to bring into our ports, and asking the same in theirs. Never was so much false arithmetic employed on any subject, as that which has been employed to persuade nations that it is their interest to go to war. Were the money which it has cost to gain, at the close of a long war, a little town, or a little territory, the right to cut wood here, or to catch fish there, expended in improving what they already possess, in making roads, opening rivers, building ports, improving the arts, and finding employment for their idle poor, it would render them much stronger, much wealthier and happier. This I hope will be our wisdom. And, perhaps, to remove as much as possible the occasions of making war, it might be better for us to abandon the ocean altogether, that being the element whereon we shall be principally exposed to jostle with other nations; to leave to others to bring what we shall want, and to carry what we can spare. This would make us invulnerable to Europe, by offering none of our property to their prize, and would turn all our citizens to the cultivation of the earth; and, I repeat it again, cultivators of the earth are the most virtuous and independent citizens. It might be time enough to seek employment for them at sea, when the land no longer offers it. But the actual habits of our countrymen attach them to commerce. They will exercise it for themselves. Wars then must sometimes be our lot; and all the wise can do, will be to avoid that half of them which would be produced by our own follies and

our own acts of injustice; and to make for the other half the best preparations we can. Of what nature should these be? A land army would be useless for offence, and not the best nor safest instrument of defence. For either of these purposes, the sea is the field on which we should meet an European enemy. On that element it is necessary we should possess some power. To aim at such a navy as the greater nations of Europe possess, would be a foolish and wicked waste of the energies of our countrymen. It would be to pull on our own heads that load of military expense which makes the European laborer go supperless to bed, and moistens his bread with the sweat of his brows. It will be enough if we enable ourselves to prevent insults from those nations of Europe which are weak on the sea, because circumstances exist, which render even the stronger ones weak as to us. Providence has placed their richest and most defenceless possessions at our door; has obliged their most precious commerce to pass, as it were, in review before us. To protect this, or to assail, a small part only of their naval force will ever be risked across the Atlantic. The dangers to which the elements expose them here are too well known, and the greater dangers to which they would be exposed at home were any general calamity to involve their whole fleet. They can attack us by detachment only; and it will suffice to make ourselves equal to what they may detach. Even a smaller force than they may detach will be rendered equal or superior by the quickness with which any check may be repaired with us, while losses with them will be irreparable till too late. A small naval force then is sufficient for us, and a small one is necessary. What this should be, I will not undertake to say. I will only say, it should by no means be so great as we are able to make it. Suppose the million dollars, or three hundred thousand pounds, which Virginia could annually spare without distress, to be applied to the creating a navy. A single year's contribution would build, equip, man, and send to sea a force which should carry three hundred guns. The rest of the confederacy, exerting themselves in the same proportion, would equip in the same time fifteen hundred guns more. So that one year's contributions would set up a navy of eighteen hundred guns. The British ships of the line average seventy-six guns; their frigates thirty-eight. Eighteen hundred guns then would form a fleet of thirty ships, eighteen of which might be of the line, and twelve frigates. Allowing eight men, the British average, for every gun, their annual expense, including subsistence, clothing, pay, and ordinary repairs, would be about $1,280 for every gun, or $2,304,000 for the whole. I state this only as one year's possible exertion, without deciding whether more or less than a year's exertion should be thus applied. . . .

AMERICAN PROBLEMS

THE CONSTITUTIONAL CONVENTION

With Shays's Rebellion, economic recession, British retention of the northwest posts, and Spanish intrigues among the settlers on the western waters of Kentucky and Tennessee as warnings, conservative and commercial men were ready to work for a government more effective than the Confederation Congress had proved. First, Maryland and Virginia conferred regarding a convention for mutual defense and control of waterways. Then, a few months later, in 1785, Maryland suggested that Pennsylvania and Delaware, which shared in the Chesapeake trade, be invited to join in the proposed settlement.

In 1786, Virginia's Assembly extended the invitation to include all the states. They were urged to confer, consider the state of the country's commerce, and report a plan which would enable Congress to deal vigorously with foreign powers, particularly England. By May, when the proposed convention was to meet at Annapolis, only Virginia was sufficiently interested to send a full delegation. Maryland was not represented; Pennsylvania sent one deputy; the delegates from Massachusetts and New Hampshire did not arrive until after the convention had adjourned. Despite the states' evident lack of concern, the few deputies present adopted a series of resolutions, often credited to Hamilton, detailing the weakness of the Confederation and urging that a convention be held to report measures for strengthening the government.

New York had proposed a convention to revise the Articles of Confederation in 1782. Later, Madison and the Massachusetts legislature had each suggested similar action, but it was not until after the abortive commercial convention at Annapolis that this became a possibility. Although the meeting was called for Philadelphia, the second Monday in May, 1787, the Convention did not organize until eleven days later. From the twenty-fifth of May until the seventeenth of September the Convention sat in secret session, being interrupted by only two adjournments.

If the number of delegates who kept more or less careful records of the proceedings is any index, several of the members were aware that they were engaged in a really momentous effort, one that would demonstrate the practicability of establishing a strong, stable, free government by rational process.

The first project presented was offered by the Virginia delegation whose chairman recited the defects of the Articles of Confederation and declared: "Our chief danger arises from the democratic parts of our constitutions. It is a maxim which I hold incontrovertible that the powers of government exercised by the people swallows up the other branches. None of the constitutions have provided sufficient checks against the democracy." From May 30 until June 13 the Convention discussed the Virginia Plan in Committee of the Whole.

After the Virginia Plan had been reported to the Convention on June 13, William Paterson of New Jersey moved for postponement to permit the preparation of a plan to revise the Articles of Confederation on a "purely Federal" principle. When that plan was offered to the Convention and referred to the Committee of the Whole, Madison declared it the work of members from Connecticut, New York, New Jersey, Delaware, and of Martin of Maryland. New York and Connecticut wanted to increase the powers of the Confederation Congress while New Jersey and Dela-

ware wished to retain an equal representation of the states, Madison noted. The New Jersey Plan was discussed from June 16 to 18, and then the Committee of the Whole recommended that the Convention return to consider the amended version of the Virginia Plan. Though the New Jersey proposals were thus dismissed, some of the demands in them were recognized, notably in the "compromise" by which each state received equal representation in the Senate.

It was during the discussion of the New Jersey Plan that Alexander Hamilton rose to address the Convention. In addition to his five-hour speech, Hamilton presented written proposals which exist only in a later version found among his papers. Since the Convention sat in secret, its proceedings were heatedly discussed in the troubled decades following; few of those proceedings became the object of more contention than the Hamilton "plan." Hamilton found it necessary to deny that he had wished to abolish the states or that he had suggested a monarchy. In the draft found among Hamilton's papers, the House of Representatives was to be chosen by free white males and to have the power of impeachment. The Senate was to be chosen by electors selected by men who held landed estates for life or for fourteen unexpired years of lease. The President was to be chosen by electors who were to choose electors in their turn. If the first electors could not elect a President by majority vote, then the second electors were to ballot. Like Senators and Judges, the President was to hold office during good behavior. He was to have an absolute veto over federal legislation. The United States was to appoint state governors, who were to hold office until replaced and to negate laws as the United States Legislature might prescribe.

Madison's notes are used in the presentation of the Virginia and New Jersey plans. Hamilton's plan is presented twice: first from Madison's notes, then from Yates's. The selections are reprinted from *Documents Illustrative of the Formation of the Union of the American States* (Washington, 1927).

The Virginia Plan

BY EDMUND RANDOLPH

RESOLUTIONS PROPOSED BY MR. RANDOLPH IN CONVENTION, MAY 29, 1787

1. Resolved that the articles of Confederation ought to be so corrected & enlarged as to accomplish the objects proposed by their institution; namely. "common defence, security of liberty and general welfare."

2. Resd. therefore that the rights of suffrage in the National Legislature ought to be proportioned to the Quotas of contribution, or to the number of free inhabitants, as the one or the other rule may seem best in different cases.

3. Resd. that the National Legislature ought to consist of two branches.

4. Resd. that the members of the first branch of the National Legislature ought to be elected by the people of the several States every for the term of ; to be of the age of years at least, to receive liberal stipends by which they may be compensated for the devotion of their time to public service; to be ineligible to any office established by a particular State, or under the authority of the United States, except those peculiarly belonging to the functions of the first branch, during the term of service, and for the space of after its expiration; to be incapable of re-election for the space of after the expiration of their term of service, and to be subject to recall.

5. Resold. that the members of the second branch of the National Legislature ought to be elected by those of the first, out of a proper number of persons nominated by the individual Legislatures, to be of the age of years at least; to hold their offices for a term sufficient to ensure their independency, to receive liberal stipends, by which they may be compensated for the devotion of their time to public service; and to be ineligible to any office established by a particular State, or under the authority of the United States, except those peculiarly belonging to the functions of the

second branch, during the term of service, and for the space of after the expiration thereof.

6. Resolved that each branch ought to possess the right of originating Acts; that the National Legislature ought to be impowered to enjoy the Legislative Rights vested in Congress by the Confederation & moreover to legislate in all cases to which the separate States are incompetent, or in which the harmony of the United States may be interrupted by the exercise of individual Legislation; to negative all laws passed by the several States, contravening in the opinion of the National Legislature the articles of Union; and to call forth the force of the Union agst. any member of the Union failing to fulfill its duty under the articles thereof.

7. Resd. that a National Executive be instituted; to be chosen by the National Legislature for the term of years, to receive punctually at stated times, a fixed compensation for the services rendered, in which no increase or diminution shall be made so as to affect the Magistracy, existing at the time of increase or diminution, and to be ineligible a second time; and that besides a general authority to execute the National laws, it ought to enjoy the Executive rights vested in Congress by the Confederation.

8. Resd. that the Executive and a convenient number of the National Judiciary, ought to compose a council of revision with authority to examine every act of the National Legislature before it shall operate, & every act of a particular Legislature before a Negative thereon shall be final; and that the dissent of the said Council shall amount to a rejection, unless the Act of the National Legislature be again passed, or that of a particular Legislature be again negatived by of the members of each branch.

9. Resd. that a National Judiciary be established to consist of one or more supreme tribunals, and of inferior tribunals to be chosen by the National Legislature, to hold their offices during good behaviour; and to receive punctually at stated times fixed compensation for their services, in which no increase or diminution shall be made so as to affect the persons actually in office at the time of such increase or diminution. that the jurisdiction of the inferior tribunals shall be to hear & determine in the first instance, and of the supreme tribunal to hear and determine in the dernier resort, all piracies & felonies on the high seas, captures from an enemy; cases in which foreigners or citizens of other States applying to such jurisdictions may be interested, or which respect the collection of the National revenue; impeachments of any National officers, and questions which may involve the national peace and harmony.

10. Resolvd. that provision ought to be made for the admission of States lawfully arising within the limits of the United States, whether from a voluntary junction of Government & Territory or otherwise, with the consent of a number of voices in the National legislature less than the whole.

11. Resd. that a Republican Government & the territory of each State, except in the instance of a voluntary junction of Government & territory, ought to be guaranteed by the United States to each State

12. Resd. that provision ought to be made for the continuance of Congress and their authorities and privileges, until a given day after the reform of the articles of Union shall be adopted, and for the completion of all their engagements.

13. Resd. that provision ought to be made for the amendment of the Articles of Union whensoever it shall seem necessary, and that the assent of the National Legislature ought not to be required thereto.

14. Resd. that the Legislative Executive & Judiciary powers within the several States ought to be bound by oath to support the articles of Union

15. Resd. that the amendments which shall be offered to the Confederation, by the Convention ought at a proper time, or times, after the approbation of Congress to be submitted to an assembly or assemblies of Representatives, recommended by the several Legislatures to be expressly chosen by the people, to consider & decide thereon.

The New Jersey Plan

BY WILLIAM PATERSON

FRIDAY JUNE 15TH. 1787

MR. PATTERSON, laid before the Convention the plan which he said several of the deputations wished to be substituted in place of that proposed by Mr. Randolph. After some little discussion of the most proper mode of giving it a fair deliberation it was agreed that it should be referred to a Committee of the Whole, and that in order to place the two plans in due comparison, the other

should be recommitted. At the earnest desire of Mr. Lansing & some other gentlemen, it was also agreed that the Convention should not go into Committee of the whole on the subject till tomorrow, by which delay the friends of the plan proposed by Mr. Patterson wd. be better prepared to explain & support it, and all would have an opportuy of taking copies.[1]—

The propositions from N. Jersey moved by Mr. Patterson were in the words following.

1. Resd. that the articles of Confederation ought to be so revised, corrected & enlarged, as to render the federal Constitution adequate to the exigences of Government, & the preservation of the Union.

2. Resd. that in addition to the powers vested in the U. States in Congress, by the present existing articles of Confederation, they be authorized to pass acts for raising a revenue, by levying a duty or duties on all goods or merchandizes of foreign growth or manufacture, imported into any part of the U. States, by Stamps on paper, vellum or parchment, and by a postage on all letters or packages passing through the general post-Office, to be applied to such federal purposes as they shall deem proper & expedient; to make rules & regulations for the collection thereof; and the same from time to time, to alter & amend in such manner as they shall think proper: to pass Acts for the regulation of trade & commerce as well with foreign nations as with each other: provided that all punishments, fines, forfeitures & penalties to be incurred for contravening such acts rules and regulations shall be adjudged by the Common law Judiciarys of the State in which any offence contrary to the true intent & meaning of such Acts rules & regulations shall have been committed or perpetrated, with liberty of commencing in the first instance all suits & prosecutions for that purpose in the superior Common law Judiciary in such State, subject nevertheless, for the correction of all errors, both in law & fact in rendering judgment, to an appeal to the Judiciary of the U. States

3. Resd. that whenever requisitions shall be necessary, instead of the rule for making requisitions mentioned in the articles of Confederation, the United States in Congs. be authorized to make such requisitions in proportion to the whole number of white & other free citizens & inhabitants of every age sex and condition including those bound to servitude for a term of years & three fifths of all other persons not comprehended in the foregoing description, except Indians not paying taxes; that if such requisitions be not complied with, in the time specified therein, to direct the collection thereof in the non complying States & for that purpose to devise and pass acts directing & authorizing the same; provided that none of the powers hereby vested in the U. States in Congs. shall be exercised without the consent of at least States, and in that proportion if the number of Confederated States should hereafter be increased or diminished.

4. Resd. that the U. States in Congs. be authorized to elect a federal Executive to consist of persons, to continue in office for the term of years, to receive punctually at stated times a fixed compensation for their services, in which no increase or diminution shall be made so as to affect the persons composing the Executive at the time of such increase or diminution, to be paid out of the federal treasury; to be incapable of holding any other office or appointment during their time of service and for years thereafter; to be ineligible a second time, & removeable by Congs. on application by a majority of the Executives of the several States; that the Executives besides their general authority to execute the federal acts ought to appoint all federal officers not otherwise provided for, & to direct all military operations; provided that none of the persons composing the federal Executive shall on any occasion take command of any troops, so as personally to conduct any enterprise as General, or in other capacity.

5. Resd. that a federal Judiciary be established to consist of a supreme Tribunal the Judges of which to be appointed by the Executive, & to hold their offices during good behaviour, to receive punctually at stated times a fixed compensation for their services in which no increase or diminution shall be made, so as to affect the persons actu-

[1] (This plan had been concerted among the deputations or members thereof, from Cont. N.Y. N.J. Del. and perhaps Mr Martin from Maryd. who made with them a common cause on different principles. Cont. and N.Y. were agst. a departure from the principle of the Confederation, wishing rather to add a few new powers to Congs. than to substitute, a National Govt. The States of N.J. and Del. were opposed to a National Govt. because its patrons considered a proportional representation of the States as the basis of it. The eagourness displayed by the Members opposed to a Natl. Govt. from these different (motives) began now to produce serious anxiety for the result of the Convention.—Mr. Dickenson said to Mr. Madison you see the consequence of pushing things too far. Some of the members from the small States wish for two branches in the General Legislature, and are friends to a good National Government; but we would sooner submit to a foreign power, than submit to be deprived of an equality of suffrage, in both branches of the legislature, and thereby be thrown under the domination of the large States.)

ally in office at the time of such increase or diminution; that the Judiciary so established shall have authority to hear & determine in the first instance on all impeachments of federal officers, & by way of appeal in the dernier resort in all cases touching the rights of Ambassadors, in all cases of captures from an enemy, in all cases of piracies & felonies on the high seas, in all cases in which foreigners may be interested, in the construction of any treaty or treaties, or which may arise on any of the Acts for regulation of trade, or the collection of the federal Revenue: that none of the Judiciary shall during the time they remain in Office be capable of receiving or holding any other office or appointment during their time of service, or for thereafter.

6. Resd. that all Acts of the U. States in Congs. made by virtue & in pursuance of the powers hereby & by the articles of confederation vested in them, and all Treaties made & ratified under the authority of the U. States shall be the supreme law of the respective States so far forth as those Acts or Treaties shall relate to the said States or their Citizens, and that the Judiciary of the several States shall be bound thereby in their decisions, any thing in the respective laws of the Individual States to the contrary notwithstanding; and that if any State, or any body of men in any State shall oppose or prevent ye. carrying into execution such acts or treaties, the federal Executive shall be authorized to call forth ye power of the Confederated States, or so much thereof as may be necessary to enforce and compel an obedience to such Acts, or an Observance of such Treaties.

7. Resd. that provision be made for the admission of new States into the Union.

8. Resd. the rule for naturalization ought to be the same in every State

9. Resd. that a Citizen of one State committing an offence in another State of the Union, shall be deemed guilty of the same offence as if it had been committed by a Citizen of the State in which the Offence was committed.

Adjourned

Alexander Hamilton's Plan

(ACCORDING TO MADISON)

Mr. Hamilton, had been hitherto silent on the business before the Convention, partly from respect to others whose superior abilities age & experience rendered him unwilling to bring forward ideas dissimilar to theirs, and partly from his delicate situation with respect to his own State, to whose sentiments as expressed by his Colleagues, he could by no means accede. The crisis however which now marked our affairs, was too serious to permit any scruples whatever to prevail over the duty imposed on every man to contribute his efforts for the public safety & happiness. He was obliged therefore to declare himself unfriendly to both plans. He was particularly opposed to that from N. Jersey, being fully convinced, that no amendment of the confederation, leaving the States in possession of their sovereignty could possibly answer the purpose. On the other hand he confessed he was much discouraged by the amazing extent of Country in expecting the desired blessings from any general sovereignty that could be substituted.—As to the powers of the Convention, he thought the doubts started on that subject had arisen from distinctions & reasonings too subtle. A *federal* Govt. he conceived to mean an association of independent Communities into one. Different Confederacies have different powers, and exercise them in different ways. In some instances the powers are exercised over collective bodies; in others over individuals. as in the German Diet—& among ourselves in cases of piracy. Great latitude therefore must be given to the signification of the term. The plan last proposed departs itself from the *federal* idea, as understood by some, since it is to operate eventually on individuals. He agreed moreover with the Honble. gentleman from Va. (Mr. R.) that we owed it to our Country, to do on this emergency whatever we should deem essential to its happiness. The States sent us here to provide for the exigences of the Union. To rely on & propose any plan not adequate to these exigences, merely because it was not clearly within our powers, would be to sacrifice the means to the end. It may be said that the *States* can not *ratify* a plan not within the purview of the article of Confederation providing for alterations & amendments. But may not the States themselves in which no constitutional authority equal to this purpose exists in the Legislatures, have had in view a reference to the people at large. In the Senate of N. York, a proviso was moved, that no act of the Convention should be binding untill it should be referred to the people & ratified; and the motion was lost by a single

voice only, the reason assigned agst. it, being that it (might possibly) be found an inconvenient shackle.

The great question is what provision shall we make for the happiness of our Country? He would first make a comparative examination of the two plans—prove that there were essential defects in both—and point out such changes as might render a *national one*, efficacious.—The great & essential principles necessary for the support of Government. are 1. an active & constant interest in supporting it. This principle does not exist in the States in favor of the federal Govt. They have evidently in a high degree, the esprit de corps. They constantly pursue internal interests adverse to those of the whole. They have their particular debts—their partcular plans of finance &c. all these when opposed to, invariably prevail over the requisitions & plans of Congress. 2. the love of power, Men love power. The same remarks are applicable to this principle. The States have constantly shewn a disposition rather to regain the powers delegated by them than to part with more, or to give effect to what they had parted with. The ambition of their demagogues is known to hate the controul of the Genl. Government. It may be remarked too that the Citizens have not that anxiety to prevent a dissolution of the Genl. Govt as of the particular Govts. A dissolution of the latter would be fatal: of the former would still leave the purposes of Govt. attainable to a considerable degree. Consider what such a State as Virga. will be in a few years, a few compared with the life of nations. How strongly will it feel its importance & self-sufficiency? 3. an habitual attachment of the people. The whole force of this tie is on the side of the State Govt. Its sovereignty is immediately before the eyes of the people: its protection is immediately enjoyed by them. From its hand distributive justice, and all those acts which familiarize & endear Govt. to a people, are dispensed to them. 4. *Force* by which may be understood a *coertion of laws* or *coertion of arms*. Congs. have not the former except in few cases. In particular States, this coercion is nearly sufficient; tho' he held it in most cases, not entirely so. A certain portion of military force is absolutely necessary in large communities. Massts. is now feeling this necessity & making provision for it. But how can this force be exerted on the States collectively. It is impossible. It amounts to a war between the parties. Foreign powers also will not be idle spectators. They will interpose, the confusion will increase, and a dissolution of the Union ensue. 5. *influence*. he did not (mean) corruption, but a dispensation of those regular honors & emoluments, which produce an attachment to the Govt. almost all the weight of these is on the side of the States; and must continue so as long as the States continue to exist. All the passions then we see, of avarice, ambition, interest, which govern most individuals, and all public bodies, fall into the current of the States, and do not flow in the stream of the Genl. Govt. the former therefore will generally be an overmatch for the Genl. Govt. and render any confederacy, in its very nature precarious. Theory is in this case fully confirmed by experience. The Amphyctionic Council had it would seem ample powers for general purposes. It had in particular the power of fining and using force agst. delinquent members. What was the consequence. Their decrees were mere signals of war. The Phocian war is a striking example of it. Philip at length taking advantage of their disunion, and insinuating himself into their Councils, made himself master of their fortunes. The German Confederacy affords another lesson. The authority of Charlemagne seemed to be as great as could be necessary. The great feudal chiefs however, exercising their local sovereignties, soon felt the spirit & found the means of, encroachments, which reduced the imperial authority to a nominal sovereignty. The Diet has succeeded, which tho' aided by a Prince at its head, of great authority independently of his imperial attributes, is a striking illustration of the weakness of Confederated Governments. Other examples instruct us in the same truth. The Swiss cantons have scarce any Union at all, and (have been more than once at) war with one another— How then are all these evils to be avoided? only by such a compleat sovereignty in the general Govermt. as will turn all the strong principles & passions above mentioned on its side. Does the scheme of N. Jersey produce this effect? does it afford any substantial remedy whatever? On the contrary it labors under great defects, and the defect of some of its provisions will destroy the efficacy of others. It gives a direct revenue to Congs. but this will not be sufficient. The balance can only be supplied by requisitions; which experience proves can not be relied on. If States are to deliberate on the mode, they will also deliberate on the object of the supplies, and will grant or not grant as they approve or disapprove of it. The delinquency of one will invite and countenance it in others. Quotas too must in the nature of things be so unequal as to produce the same evil. To what standard will you resort? Land is a fallacious one. Compare Holland with Russia: France or Engd. with other countries of Europe. Pena. with N. Carolia. will the relative pecuniary abilities in those instances, correspond

with the relative value of land. Take numbers of inhabitants for the rule and make like comparison of different countries, and you will find it to be equally unjust. The different degrees of industry and improvement in different Countries render the first object a precarious measure of wealth. Much depends too on *situation*. Cont. N. Jersey & N. Carolina, not being commercial States & contributing to the wealth of the commercial ones, can never bear quotas assessed by the ordinary rules of proportion. They will & must fail (in their duty.) their example will be followed, and the Union itself be dissolved. Whence then is the national revenue to be drawn? from Commerce, even (from) exports which notwithstanding the common opinion are fit objects of moderate taxation, (from) excise, &c &c. These tho' not equal, are less unequal than quotas. Another destructive ingredient in the plan, is that equality of suffrage which is so much desired by the small States. It is not in human nature that Va. & the large States should consent to it, or if they did that they shd. long abide by it. It shocks too much the ideas of Justice, and every human feeling. Bad principles in a Govt. tho slow are sure in their operation, and will gradually destroy it. A doubt has been raised whether Congs. at present have a right to keep Ships or troops in time of peace. He leans to the negative. Mr. P.s plan provides no remedy.— If the powers proposed were adequate, the organization of Congs. is such that they could never be properly & effectually exercised. The members of Congs. being chosen by the States & subject to recall, represent all the local prejudices. Should the powers be found effectual, they will from time to time be heaped on them, till a tyrannic sway shall be established. The general power whatever be its form if it preserves itself, must swallow up the State powers. otherwise it will be swallowed up by them. It is agst. all the principles of a good Government to vest the requisite powers in such a body as Congs. Two Sovereignties can not co-exist within the same limits. Giving powers to Congs. must eventuate in a bad Govt. or in no Govt. The plan of N. Jersey therefore will not do. What then is to be done? Here he was embarrassed. The extent of the Country to be governed, discouraged him. The expence of a general Govt. was also formidable; unless there were such a diminution of expence on the side of the State Govts. as the case would admit. If they were extinguished, he was persuaded that great œconomy might be obtained by substituting a general Govt. He did not mean however to shock the public opinion by proposing such a measure. On the other (hand) he saw no *other* necessity for declining it. They are not necessary for any of the great purposes of commerce, revenue, or agriculture. Subordinate authorities he was aware would be necessary. There must be district tribunals: corporations for local purposes. But cui bono, the vast & expensive apparatus now appertaining to the States. The only difficulty of a serious nature which occurred to him, was that of drawing representatives from the extremes to the center of the Community. What inducements can be offered that will suffice? The moderate wages for the 1st. branch, would only be a bait to little demagogues. Three dollars or thereabouts he supposed would be the Utmost. The Senate he feared from a similar cause, would be filled by certain undertakers who wish for particular offices under the Govt. This view of the subject almost led him to despair that a Republican Govt. could be established over so great an extent. He was sensible at the same time that it would be unwise to propose one of any other form. In his private opinion he had no scruple in declaring, supported as he was by the opinions of so many of the wise & good, that the British Govt. was the best in the world: and that he doubted much whether any thing short of it would do in America. He hoped Gentlemen of different opinions would bear with him in this, and begged them to recollect the change of opinion on this subject which had taken place and was still going on. It was once thought that the power of Congs was amply sufficient to secure the end of their institution. The error was now seen by every one. The members most tenacious of republicanism, he observed, were as loud as any in declaiming agst. the vices of democracy. This progress of the public mind led him to anticipate the time, when others as well as himself would join in the praise bestowed by Mr. Neckar on the British Constitution, namely, that it is the only Govt. in the world "which unites public strength with individual security."—In every community where industry is encouraged, there will be a division of it into the few & the many. Hence separate interests will arise There will be debtors & Creditors &c. Give all power to the many, they will oppress the few. Give all power to the few they will oppress the many. Both therefore ought to have power, that each may defend itself agst. the other. To the want of this check we owe our paper money—instalment laws &c To the proper adjustment of it the British owe the excellence of their Constitution. Their house of Lords is a most noble institution. Having nothing to hope for by a change, and a sufficient interest by means of their property, in being faithful to the National interest, they form a permanent barrier agst. every

pernicious innovation, whether attempted on the part of the Crown or of the Commons. No temporary Senate will have firmness en'o' to answer the purpose. The Senate ((of Maryland)) which seems to be so much appealed to, has not yet been sufficiently tried. Had the people been unanimous & eager, in the late appeal to them on the subject of a paper emission they would have yielded to the torrent. Their acquiescing in such an appeal is a proof of it.—Gentlemen differ in their opinions concerning the necessary checks, from the different estimates they form of the human passions. They suppose Seven years a sufficient period to give the Senate an adequate firmness, from not duly considering the amazing violence & turbulence of the democratic spirit. When a great object of Govt. is pursued, which seizes the popular passions, they spread like wild fire, and become irresistable. He appealed to the gentlemen from the N. England States whether experience had not there verified the remark. As to the Executive, it seemed to be admitted that no good one could be established on Republican principles. Was not this giving up the merits of the question; for can there be a good Govt. without a good Executive. The English model was the only good one on this subject. The Hereditary interest of the King was so interwoven with that of the Nation, and his personal emoluments so great, that he was placed above the danger of being corrupted from abroad—and at the same time was both sufficiently independent and sufficiently controuled, to answer the purpose of the institution at home. one of the weak sides of Republics was their being liable to foreign influence & corruption. Men of little character, acquiring great power become easily the tools of intermedling neibours. Sweeden was a striking instance. The French & English had each their parties during the late Revolution which was effected by the predominant influence of the former. What is the inference from all these observations? That we ought to go as far in order to attain stability and permanency, as republican principles will admit. Let one branch of the Legislature hold their places for life or at least during good-behaviour. Let the Executive also be for life. He appealed to the feelings of the members present whether a term of seven years, would induce the sacrifices of private affairs which an acceptance of public trust would require, so so as to ensure the services of the best Citizens. On this plan we should have in the Senate a permanent will, a weighty interest, which would answer essential purposes. But is this a Republican Govt. it will be asked? Yes, if all the Magistrates are appointed, and vacancies are filled, by the people, or a process of election originating with the people. He was sensible that an Executive constituted as he proposed would have in fact but little of the power and independence that might be necessary. On the other plan of appointing him for 7 years, he thought the Executive ought to have but little power. He would be ambitious, with the means of making creatures; and as the object of his ambition wd. be to *prolong* his power, it is probable that in case of a war, he would avail himself of the emergence, to evade or refuse a degradation from his place. An Executive for life has not this motive for forgetting his fidelity, and will therefore be a safer depositary of power. It will be objected probably, that such an Executive will be an *elective Monarch*, and will give birth to the tumults which characterise that form of Govt. He wd. reply that *Monarch* is an indefinite term. It marks not either the degree or duration of power. If this Executive Magistrate wd. be a monarch for life—the other propd. by the Report from the Committee of the whole, wd. be a monarch for seven years. The circumstance of being elective was also applicable to both. It had been observed by judicious writers that elective monarchies wd. be the best if they could be guarded agst. the *tumults* excited by the ambition and intrigues of competitors. He was not sure that tumults were an inseparable evil. He rather thought this character of Elective Monarchies had been taken rather from particular cases than from general principles. The election of Roman Emperors was made by the *Army*. In *Poland* the election is made by great rival *princes* with independent power, and ample means, of raising commotions. In the German Empire, The appointment is made by the Electors & Princes, who have equal motives & means, for exciting cabals & parties. Might (not) such a mode of election be devised among ourselves as will defend the community agst. these effects in any dangerous degree? Having made these observations he would read to the Committee a sketch of a plan which he shd. prefer to either of those under consideration. He was aware that it went beyond the ideas of most members. But will such a plan be adopted out of doors? In return (he would ask) will the people adopt the other plan? At present they will adopt neither. But (he) sees the Union dissolving or already dissolved—he sees evils operating in the States which must soon cure the people of their fondness for democracies—he sees that a great progress has been already made & is still going on in the public mind. He thinks therefore that the people will in time be unshackled from their prejudices; and whenever that happens, they

will themselves not be satisfied at stopping where the plan of Mr. R. wd. place them, but be ready to go as far at least as he proposes. He did not mean to offer the paper he had sketched as a proposition to the Committee. It was meant only to give a more correct view of his ideas, and to suggest the amendments which he should probably propose to the plan of Mr. R. in the proper stages of its future discussion. He read his sketch in the words following: towit

I. "The Supreme Legislative power of the United States of America to be vested in two different bodies of men; the one to be called the Assembly, the other the Senate who together shall form the Legislature of the United States with power to pass all laws whatsoever subject to the Negative hereafter mentioned.

II. The Assembly to consist of persons elected by the people to serve for three years.

III. The Senate to consist of persons elected to serve during good behaviour; their election to be made by electors chosen for that purpose by the people: in order to this the States to be divided into election districts. On the death, removal or resignation of any Senator his place to be filled out of the district from which he came.

IV. The supreme Executive authority of the United States to be vested in a Governour to be elected to serve during good behaviour—the election to be made by Electors chosen by the people in the Election Districts aforesaid— The authorities & functions of the Executive to be as follows: to have a negative on all laws about to be passed, and the execution of all laws passed, to have the direction of war when authorized or begun; to have with the advice and approbation of the Senate the power of making all treaties; to have the sole appointment of the heads or chief officers of the departments of Finance, War and Foreign Affairs; to have the nomination of all other officers (Ambassadors to foreign Nations included) subject to the approbation or rejection of the Senate; to have the power of pardoning all offences except Treason; which he shall not pardon without the approbation of the Senate.

V. On the death resignation or removal of the Governour his authorities to be exercised by the President of the Senate till a Successor be appointed.

VI. The Senate to have the sole power of declaring war, the power of advising and approving all Treaties, the power of approving or rejecting all appointments of officers except the heads or chiefs of the departments of Finance War and foreign affairs.

VII. The Supreme Judicial authority to be vested in Judges to hold their offices during good behaviour with adequate and permanent salaries. This Court to have original jurisdiction in all causes of capture, and an appellative jurisdiction in all causes in which the revenues of the general Government or the citizens of foreign nations are concerned.

VIII. The Legislature of the United States to have power to institute Courts in each State for the determination of all matters of general concern.

IX. The Governour Senators and all officers of the United States to be liable to impeachment for mal—and corrupt conduct; and upon conviction to be removed from office, & disqualified for holding any place of trust or profit—all impeachments to be tried by a Court to consist of the Chief or Judge of the Superior Court of Law of each State, provided such Judge shall hold his place during good behavior, and have a permanent salary.

X. All laws of the particular States contrary to the Constitution or laws of the United States to be utterly void; and the better to prevent such laws being passed, the Governour or president of each state shall be appointed by the General Government and shall have a negative upon the laws about to be passed in the State of which he is Governour or President

XI. No State to have any forces land or Naval; and the Militia of all the States to be under the sole and exclusive direction of the United States, the officers of which to be appointed and commissioned by them.

Alexander Hamilton's Plan

(ACCORDING TO YATES)

. . . EXAMINE THE present confederation, and it is evident they can raise no troops nor equip vessels before war is actually declared. They cannot therefore take any preparatory measure before an enemy is at your door. How unwise and inadequate their powers! and this must ever be the case when you attempt to define powers.—Something will always be wanting. Congress, by being annually elected, and subject to recall, will ever come with the prejudices of their states rather

than the good of the union. Add therefore additional powers to a body thus organized, and you establish a *sovereignty* of the worst kind, consisting of a single body. Where are the checks? None. They must either prevail over the state governments, or the prevalence of the state governments must end in their dissolution. This is a conclusive objection to the Jersey plan.

Such are the insuperable objections to both plans: and what is to be done on this occasion? I confess I am at a loss. I foresee the difficulty on a consolidated plan of drawing a representation from so extensive a continent to one place. What can be the inducements for gentlemen to come 600 miles to a national legislature? The expense would at least amount to £100,000. This however can be no conclusive objection if it eventuates in an extinction of state governments. The burthen of the latter would be saved, and the expense then would not be great. State distinctions would be found unnecessary, and yet I confess, to carry government to the extremities, the state governments reduced to corporations, and with very limited powers, might be necessary, and the expense of the national government become less burthensome.

Yet, I confess, I see great difficulty of drawing forth a good representation. What, for example, will be the inducements for gentlemen of fortune and abilities to leave their houses and business to attend annually and long? It cannot be the wages; for these, I presume, must be small. Will not the power, therefore, be thrown into the hands of the demagogue or middling politician, who, for the sake of a small stipend and the hopes of advancement, will offer himself as a candidate, and the real men of weight and influence, by remaining at home, add strength to the state governments? I am at a loss to know what must be done—I despair that a republican form of government can remove the difficulties. Whatever may be my opinion, I would hold it however unwise to change that form of government. I believe the British government forms the best model the world ever produced, and such has been its progress in the minds of the many, that this truth gradually gains ground. This government has for its object *public strength* and *individual security*. It is said with us to be unattainable. If it was once formed it would maintain itself. All communities divide themselves into the few and the many. The first are the rich and well born, the other the mass of the people. The voice of the people has been said to be the voice of God; and however generally this maxim has been quoted and believed, it is not true in fact. The people are turbulent and changing; they seldom judge or determine right. Give therefore to the first class a distinct, permanent share in the government. They will check the unsteadiness of the second, and as they cannot receive any advantage by a change, they therefore will ever maintain good government. Can a democratic assembly, who annually revolve in the mass of the people, be supposed steadily to pursue the public good? Nothing but a permanent body can check the imprudence of democracy. Their turbulent and uncontrouling disposition requires checks. The senate of New-York, although chosen for four years, we have found to be inefficient. Will, on the Virginia plan, a continuance of seven years do it? It is admitted that you cannot have a good executive upon a democratic plan. See the excellency of the British executive— He is placed above temptation— He can have no distinct interests from the public welfare. Nothing short of such an executive can be efficient. The weak side of a republican government is the danger of foreign influence. This is unavoidable, unless it is so constructed as to bring forward its first characters in its support. I am therefore for a general government, yet would wish to go the full length of republican principles.

Let one body of the legislature be constituted during good behaviour or life.

Let one executive be appointed who dares execute his powers.

It may be asked is this a republican system? It is strictly so, as long as they remain elective.

And let me observe, that an executive is less dangerous to the liberties of the people when in office during life, than for seven years.

It may be said this constitutes an elective monarchy? Pray what is a monarchy? May not the governors of the respective states be considered in that light? But by making the executive subject to impeachment, the term monarchy cannot apply. These elective monarchs have produced tumults in Rome, and are equally dangerous to peace in Poland; but this cannot apply to the mode in which I would propose the election. Let electors be appointed in each of the states to elect the executive—to consist of two branches—and I would give them the unlimited power of passing *all laws* without exception. The assembly to be elected for three years by the people in districts—the senate to be elected by electors to be chosen for that purpose by the people, and to remain in office during life. The executive to have the power of negativing all laws—to make war or peace, with the advice of the senate—to make treaties with their advice, but to have the sole direction of all military operations, and to send ambassadors and appoint all

military officers, and to pardon all offenders, treason excepted, unless by advice of the senate. On his death or removal, the president of the senate to officiate, with the same powers, until another is elected. Supreme judicial officers to be appointed by the executive and the senate. The legislature to appoint courts in each state, so as to make the state governments unnecessary to it.

All state laws to be absolutely void which contravene the general laws. An officer to be appointed in each state to have a negative on all state laws. All the militia and the appointment of officers to be under the national government.

I confess that this plan and that from Virginia are very remote from the idea of the people. Perhaps the Jersey plan is nearest their expectation. But the people are gradually ripening in their opinions of government—they begin to be tired of an excess of democracy—and what even is the Virginia plan, but *pork still, with a little change of the sauce.*

THE DEBATE OVER THE CONSTITUTION

THE FEDERALIST, which is often regarded as the most important American contribution to political science, was written to defend the Constitution to the voting public of the State of New York. New York's ratification was significant and more than doubtful. Her delegates had been instructed to "amend" the Articles of Confederation and two of them had left Philadelphia when they saw that the Convention was about to draft a new Constitution on principles radically different from the league of states which was established by the Articles of Confederation. That the combined efforts of Jay, Madison, and Hamilton should have been necessary to write the series of newspaper articles called *The Federalist* is a tribute not only to the importance of the state but to the political knowledge and literary judgment of her citizens.

The Federalist is distinguished among political editorials not merely by Madison's historical learning but by the realism of Hamilton's approach: society is made up of clashing interests; the Constitution is far from perfect, but politics is not geometry and political thinking can never be entirely impartial—considering the differences of opinion at the Convention, its work is as good as can be expected. Everywhere, Hamilton's emphasis .is on the need for order and stability. He approves the veto, for instance, because "every institution calculated to restrain the excess of law-making and to keep things in the same state in which they happen to be at any given period is much more likely to do good than harm." Government must be strong to be effective, and to be strong it must exert force directly on the individual. Since the legislative branch tends to draw power to itself, it must be counterbalanced by an independent judiciary and an executive who need not look to the legislators' will for his salary or tenure of office. In Madison's opinion as well as in Hamilton's, sufficient check on the executive is afforded by elections supplemented by impeachment; it is not necessary to limit reelection.

Many future developments, especially the broad scope of judicial review, are foreshadowed in *The Federalist*. In several other respects, its expectations have not materialized. The Electoral College, which was so highly regarded in its time, has operated as precisely the party rubber-stamp the authors of *The Federalist* wished to avoid; and the impeachment, which was to be a national inquest into the conduct of public men, and so not hampered by the strict rules proper in ordinary legal cases, soon became converted into but another version of "due process of law."

The papers from *The Federalist* here reprinted are No. 1, which serves as the general introduction; No. 45, which outlines the theory of a Federal government, upon which the Constitution is based; and No. 51, which expounds the theory of the separation of powers. The text is that of the 1818 edition.

The Federalist, No. 1

BY ALEXANDER HAMILTON

AFTER FULL EXPERIENCE of the insufficiency of the existing federal government, you are invited to deliberate upon a New Constitution for the United States of America. The subject speaks its own importance; comprehending in its consequences, nothing less than the existence of the UNION, the safety and welfare of the parts of which it is composed, the fate of an empire, in many respects, the most interesting in the world. It has been frequently remarked, that it seems to have been reserved to the people of this country to decide, by their conduct and example, the important question, whether societies of men are really capable or not, of establishing good government from reflection and choice, or whether they are for ever destined to depend for their political constitutions, on accident and force. If there be any truth in the remark, the crisis at which we are arrived may, with propriety, be regarded as the period when that decision is to be made; and a wrong election of the part we shall act, may, in this view, deserve to be considered as the general misfortune of mankind.

This idea, by adding the inducements of philanthropy to those of patriotism, will heighten the solicitude which all considerate and good men must feel for the event. Happy will it be if our choice should be directed by a judicious estimate of our true interests, uninfluenced by considerations foreign to the public good. But this is more ardently to be wished for, than seriously to be expected. The plan offered to our deliberations, affects too many particular interests, innovates upon too many local institutions, not to involve in its discussion a variety of objects extraneous to its merits, and of views, passions, and prejudices little favourable to the discovery of truth.

Among the most formidable of the obstacles which the new constitution will have to encounter, may readily be distinguished the obvious interest of a certain class of men in every state to resist all changes which may hazard a diminution of the power, emolument, and consequence of the offices they hold under the state establishments . . . . and the perverted ambition of another class of men, who will either hope to aggrandize themselves by the confusions of their country, or will flatter themselves with fairer prospects of elevation from the subdivision of the empire into several partial confederacies, than from its union under one government.

It is not, however, my design to dwell upon observations of this nature. I am aware it would be desingenuous to resolve indiscriminately the opposition of any set of men into interested or ambitious views, merely because their situations might subject them to suspicion. Candour will oblige us to admit, that even such men may be actuated by upright intentions; and it cannot be doubted, that much of the opposition, which has already shown itself, or that may hereafter make its appearance, will spring from sources blameless at least, if not respectable. . . . the honest errors of minds led astray by preconceived jealousies and fears. So numerous indeed and so powerful are the causes which serve to give a false bias to the judgment, that we, upon many occasions, see wise and good men on the wrong as well as on the right side of questions, of the first magnitude to society. This circumstance, if duly attended to, would always furnish a lesson of moderation to those, who are engaged in any controversy, however well persuaded of being in the right. And a further reason for caution, in this respect, might be drawn from the reflection, that we are not always sure, that those who advocate the truth are actuated by purer principles than their antagonists. Ambition, avarice, personal animosity, party opposition, and many other motives, not more laudable than these, are apt to operate as well upon those who support, as upon those who oppose, the right side of a question. Were there not even these inducements to moderation, nothing could be more ill judged than that intolerant spirit, which has, at all times, characterized political parties. For, in politics as in religion, it is equally absurd to aim at making proselytes by fire and sword. Heresies in either can rarely be cured by persecution.

And yet, just as these sentiments must appear to candid men, we have already sufficient indications, that it will happen in this, as in all former cases of great national discussion. A torrent of angry and malignant passions will be let loose. To judge from the conduct of the opposite parties, we shall be led to conclude, that they will mutually hope to evince the justness of their opinions, and to increase the number of their converts, by the loudness of their declamations, and by the bitterness of their invectives. An enlightened zeal for the energy and efficiency of government, will be stigmatized as the offspring of a temper fond of

power, and hostile to the principles of liberty. An over scrupulous jealousy of danger to the rights of the people, which is more commonly the fault of the head than of the heart, will be represented as mere pretence and artifice. . . . the stale bait for popularity at the expense of public good. It will be forgotten, on the one hand, that jealousy is the usual concomitant of violent love, and that the noble enthusiasm of liberty is too apt to be infected with a spirit of narrow and illiberal distrust. On the other hand, it will be equally forgotten, that the vigour of government is essential to the security of liberty; that in the contemplation of a sound and well-informed judgment, their interests can never be separated; and that a dangerous ambition more often lurks behind the specious mask of zeal for the rights of the people, than under the forbidding appearances of zeal for the firmness and efficiency of government. History will teach us, that the former has been found a much more certain road to the introduction of despotism, than the latter, and that of those men who have overturned the liberties of republics, the greatest number have begun their career, by paying an obsequious court to the people; commencing demagogues, and ending tyrants.

In the course of the preceding observations it has been my aim, fellow-citizens, to put you upon your guard against all attempts, from whatever quarter, to influence your decision in a matter of the utmost moment to your welfare, by any impressions, other than those which may result from the evidence of truth. You will, no doubt, at the same time, have collected from the general scope of them, that they proceed from a source not unfriendly to the new constitution. Yes, my countrymen, I own to you, that, after having given it an attentive consideration, I am clearly of opinion, it is your interest to adopt it. I am convinced, that this is the safest course for your liberty, your dignity, and your happiness. I affect not reserves which I do not feel. I will not amuse you with an appearance of deliberation, when I have decided. I frankly acknowledge to you my convictions, and I will freely lay before you the reasons on which they are founded. The consciousness of good intentions disdains ambiguity. I shall not however multiply professions on this head. My motives must remain in the depository of my own breast: my arguments will be open to all, and may be judged of by all. They shall at least be offered in a spirit, which will not disgrace the cause of truth.

I propose, in a series of papers, to discuss the following interesting particulars. . . . *The utility of the* UNION *to your political prosperity. . . . The insufficiency of the present confederation to preserve that Union. . . . The necessity of a government at least equally energetic with the one proposed, to the attainment of this object. . . . The conformity of the proposed constitution to the true principles of republican government. . . . Its analogy to your own state constitution. . . . and lastly, The additional security, which its adoption will afford to the preservation of that species of government, to liberty, and to property.*

In the progress of this discussion, I shall endeavour to give a satisfactory answer to all the objections which shall have made their appearance, that may seem to have any claim to attention.

It may perhaps be thought superfluous to offer arguments to prove the utility of the UNION, a point, no doubt, deeply engraved on the hearts of the great body of the people in every state, and one which, it may be imagined, has no adversaries. But the fact is, that we already hear it whispered in the private circles of those who oppose the new constitution, that the Thirteen States are of too great extent for any general system, and that we must of necessity resort to separate confederacies of distinct portions of the whole. This doctrine will, in all probability, be gradually propagated, till it has votaries enough to countenance its open avowal. For nothing can be more evident, to those who are able to take an enlarged view of the subject, than the alternative of an adoption of the constitution or a dismemberment of the Union. It may, therefore, be essential to examine particularly the advantages of that Union, the certain evils, and the probable dangers, to which every state will be exposed from its dissolution. This shall accordingly be done.

The Federalist, No. 45

BY JAMES MADISON

HAVING SHOWN that no one of the powers transferred to the federal government is unnecessary or improper, the next question to be considered is, whether the whole mass of them will be dangerous to the portion of authority left in the several States.

The adversaries to the plan of the convention, instead of considering in the first place what de-

gree of power was absolutely necessary for the purposes of the federal government, have exhausted themselves in a secondary inquiry into the possible consequences of the proposed degree of power to the governments of the particular States. But if the Union, as has been shown, be essential to the security of the people of America against foreign danger; if it be essential to their security against contentions and wars among the different States; if it be essential to guard them against those violent and oppressive factions which embitter the blessings of liberty, and against those military establishments which must gradually poison its very fountain; if, in a word, the Union be essential to the happiness of the people of America, is it not preposterous to urge as an objection to a government, without which the objects of the Union cannot be attained, that such a government may derogate from the importance of the governments of the individual States? Was, then, the American Revolution effected, was the American Confederacy formed, was the precious blood of thousands spilt, and the hard-earned substance of millions lavished, not that the people of America should enjoy peace, liberty, and safety, but that the government of the individual States, that particular municipal establishments, might enjoy a certain extent of power, and be arrayed with certain dignities and attributes of sovereignty? We have heard of the impious doctrine in the Old World, that the people were made for kings, not kings for the people. Is the same doctrine to be revived in the New in another shape—that the solid happiness of the people is to be sacrificed to the views of political institutions of a different form? It is too early for politicians to presume on our forgetting that the public good, the real welfare of the great body of the people, is the supreme object to be pursued; and that no form of government whatever has any other value than as it may be fitted for the attainment of this object. Were the plan of the convention adverse to the public happiness, my voice would be, Reject the plan. Were the Union itself inconsistent with the public happiness, it would be, Abolish the Union. In like manner, as far as the sovereignty of the States cannot be reconciled to the happiness of the people, the voice of every good citizen must be, Let the former be sacrificed to the latter. How far the sacrifice is necessary, has been shown. How far the unsacrificed residue will be endangered, is the question before us.

Several important considerations have been touched in the course of these papers, which discountenance the supposition that the operation of the federal government will by degrees prove fatal to the State governments. The more I revolve the subject, the more fully I am persuaded that the balance is much more likely to be disturbed by the preponderancy of the last than of the first scale.

We have seen, in all the examples of ancient and modern confederacies, the strongest tendency continually betraying itself in the members to despoil the general government of its authority with a very ineffectual capacity in the latter to defend itself against the encroachments. Although, in most of these examples, the system has been so dissimilar from that under consideration as greatly to weaken any inference concerning the latter from the fate of the former, yet, as the States will retain, under the proposed Constitution, a very extensive portion of active sovereignty, the inference ought not to be wholly disregarded. In the Achæan league it is probable that the federal head had a degree and species of power which gave it a considerable likeness to the government framed by the convention. The Lycian Confederacy, as far as its principles and form are transmitted, must have borne a still greater analogy to it. Yet history does not inform us that either of them ever degenerated, or tended to degenerate, into one consolidated government. On the contrary, we know that the ruin of one of them proceeded from the incapacity of the federal authority to prevent the dissensions, and finally the disunion, of the subordinate authorities. These cases are the more worthy of our attention, as the external causes by which the component parts were pressed together were much more numerous and powerful than in our case; and consequently less powerful ligaments within would be sufficient to bind the members to the head, and to each other.

In the feudal system, we have seen a similar propensity exemplified. Notwithstanding the want of proper sympathy in every instance between the local sovereigns and the people, and the sympathy in some instances between the general sovereign and the latter, it usually happened that the local sovereigns prevailed in the rivalship for encroachments. Had no external dangers enforced internal harmony and subordination, and, particularly, had the local sovereigns possessed the affections of the people, the great kingdoms in Europe would at this time consist of as many independent princes as there were formerly feudatory barons.

The State governments will have the advantage of the Federal government, whether we compare them in respect to the immediate dependence of the one on the other; to the weight of personal influence which each side will possess; to the powers

respectively vested in them; to the predilection and probable support of the people; to the disposition and faculty of resisting and frustrating the measures of each other.

The State governments may be regarded as constituent and essential parts of the federal government; while the latter is nowise essential to the operation or organisation of the former. Without the intervention of the State legislatures, the President of the United States cannot be elected at all. They must in all cases have a great share in his appointment, and will, perhaps, in most cases, of themselves determine it. The Senate will be elected absolutely and exclusively by the State legislatures. Even the House of Representatives, though drawn immediately from the people, will be chosen very much under the influence of that class of men, whose influence over the people obtains for themselves an election into the State legislatures. Thus, each of the principal branches of the federal government will owe its existence more or less to the favour of the State governments, and must consequently feel a dependence, which is much more likely to beget a disposition too obsequious than too overbearing towards them. On the other side, the component parts of the State governments will in no instance be indebted for their appointment to the direct agency of the federal government, and very little, if at all, to the local influence of its members.

The number of individuals employed under the Constitution of the United States will be much smaller than the number employed under the particular States. There will consequently be less of personal influence on the side of the former than of the latter. The members of the legislative, executive, and judiciary departments of thirteen and more States, the justices of peace, officers of militia, ministerial officers of justice, with all the county, corporation, and town officers, for three millions and more of people, intermixed, and having particular acquaintance with every class and circle of people, must exceed, beyond all proportion, both in number and influence, those of every description who will be employed in the administration of the federal system. Compare the members of the three great departments of the thirteen States, excluding from the judiciary department the justices of peace, with the members of the corresponding departments of the single government of the Union; compare the militia officers of three millions of people with the military and marine officers of any establishment which is within the compass of probability, or, I may add, of possibility, and in this view alone, we may pronounce the advantage of the States to be decisive. If the federal government is to have collectors of revenue, the State governments will have theirs also. And as those of the former will be principally on the sea-coast, and not very numerous, whilst those of the latter will be spread over the face of the country, and will be very numerous, the advantage in this view also lies on the same side. It is true, that the Confederacy is to possess, and may exercise, the power of collecting internal as well as external taxes throughout the States; but it is probable that this power will not be resorted to except for supplemental purposes of revenue; that an option will then be given to the States to supply their quotas by previous collections of their own; and that the eventual collection, under the immediate authority of the Union, will generally be made by the officers, and according to the rules, appointed by the several States. Indeed it is extremely probable that in other instances, particularly in the organisation of the judicial power, the officers of the States will be clothed with the correspondent authority of the Union. Should it happen, however, that separate collectors of internal revenue should be appointed under the federal government, the influence of the whole number would not bear a comparison with that of the multitude of State officers in the opposite scale. Within every district to which a federal collector would be allotted, there would not be less than thirty or forty, or even more, officers of different descriptions, and many of them persons of character and weight, whose influence would lie on the side of the State.

The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the power of taxation will, for the most part, be connected. The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State.

The operations of the federal government will be most extensive and important in times of war and danger; those of the State governments, in times of peace and security. As the former periods will probably bear a small proportion to the latter, the State governments will here enjoy another advantage over the federal government. The more adequate, indeed, the federal powers may be rendered to the national defence, the less frequent will be those scenes of danger which might favour

their ascendancy over the governments of the particular States.

If the new Constitution be examined with accuracy and candour, it will be found that the change which it proposes consists much less in the addition of NEW POWERS to the Union, than in the invigoration of its ORIGINAL POWERS. The regulation of commerce, it is true, is a new power; but that seems to be an addition which few oppose, and from which no apprehensions are entertained. The powers relating to war and peace, armies and fleets, treaties and finance, with the other more considerable powers, are all vested in the existing Congress by the articles of Confederation. The proposed change does not enlarge these powers; it only substitutes a more effectual mode of administering them. The change relating to taxation may be regarded as the most important; and yet the present Congress have as complete authority to REQUIRE of the States indefinite supplies of money for the common defence and general welfare as the future Congress will have to require them of individual citizens; and the latter will be no more bound than the States themselves have been to pay the quotas respectively taxed on them. Had the States complied punctually with the articles of Confederation, or could their compliance have been enforced by as peaceable means as may be used with success towards single persons, our past experience is very far from countenancing an opinion that the State governments would have lost their constitutional powers, and have gradually undergone an entire consolidation. To maintain that such an event would have ensued, would be to say at once that the existence of the State governments is incompatible with any system whatever that accomplishes the essential purposes of the Union.

The Federalist, No. 51

BY JAMES MADISON

TO WHAT EXPEDIENT, then, shall we finally resort, for maintaining in practice the necessary partition of power among the several departments, as laid down in the Constitution? The only answer that can be given is, that as all these exterior provisions are found to be inadequate, the defect must be supplied, by so contriving the interior structure of the government as that its several constituent parts may, by their mutual relations, be the means of keeping each other in their proper places. Without presuming to undertake a full development of this important idea, I will hazard a few general observations, which may perhaps place it in a clearer light, and enable us to form a more correct judgment of the principles and structure of the government planned by the convention.

In order to lay a due foundation for that separate and distinct exercise of the different powers of government, which to a certain extent is admitted on all hands to be essential to the preservation of liberty, it is evident that each department should have a will of its own; and consequently should be so constituted that the members of each should have as little agency as possible in the appointment of the members of the others. Were this principle rigorously adhered to, it would require that all the appointments for the supreme executive, legislative, and judiciary magistracies should be drawn from the same fountain of authority, the people, through channels having no communication whatever with one another. Perhaps such a plan of constructing the several departments would be less difficult in practice than it may in contemplation appear. Some difficulties, however, and some additional expense would attend the execution of it. Some deviations, therefore, from the principle must be admitted. In the constitution of the judiciary department in particular, it might be inexpedient to insist rigorously on the principle: first, because peculiar qualifications being essential in the members, the primary consideration ought to be to select that mode of choice which best secures these qualifications; secondly, because the permanent tenure by which the appointments are held in that department must soon destroy all sense of dependence on the authority conferring them.

It is equally evident, that the members of each department should be as little dependent as possible on those of the others, for the emoluments annexed to their offices. Were the executive magistrate, or the judges, not independent of the legislature in this particular, their independence in every other would be merely nominal.

But the great security against a gradual concentration of the several powers in the same department, consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. The provision for defence must in this, as in all other cases, be made commensurate to the danger of attack. Ambition must

be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature that such devices should be necessary to control the abuses of government. But what is government itself but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions.

This policy of supplying, by opposite and rival interests, the defect of better motives, might be traced through the whole system of human affairs, private as well as public. We see it particularly displayed in all the subordinate distributions of power, where the constant aim is to divide and arrange the several offices in such a manner as that each may be a check on the other—that the private interest of every individual may be a sentinel over the public rights. These inventions of prudence cannot be less requisite in the distribution of the supreme powers of the State.

But it is not possible to give to each department an equal power of self-defence. In republican government, the legislative authority necessarily predominates. The remedy for this inconveniency is to divide the legislature into different branches; and to render them, by different modes of election and different principles of action, as little connected with each other as the nature of their common functions and their common dependence on the society will admit. It may even be necessary to guard against dangerous encroachments by still further precautions. As the weight of the legislative authority requires that it should be thus divided, the weakness of the executive may require, on the other hand, that it should be fortified. An absolute negative on the legislature appears, at first view, to be the natural defence with which the executive magistrate should be armed. But perhaps it would be neither altogether safe nor alone sufficient. On ordinary occasions it might not be exerted with the requisite firmness, and on extraordinary occasions it might be perfidiously abused. May not this defect of an absolute negative be supplied by some qualified connection between this weaker department and the weaker branch of the stronger department, by which the latter may be led to support the constitutional rights of the former, without being too much detached from the rights of its own department?

If the principles on which these observations are founded be just, as I persuade myself they are, and they be applied as a criterion to the several State constitutions, and to the federal Constitution, it will be found that if the latter does not perfectly correspond with them, the former are infinitely less able to bear such a test.

There are, moreover, two considerations particularly applicable to the federal system of America, which place that system in a very interesting point of view.

First. In a single republic all the power surrendered by the people is submitted to the administration of a single government; and the usurpations are guarded against by a division of the government into distinct and separate departments. In the compound republic of America, the power surrendered by the people is first divided between two distinct governments, and then the portion allotted to each subdivided among distinct and separate departments. Hence a double security arises to the rights of the people. The different governments will control each other, at the same time that each will be controlled by itself.

Second. It is of great importance in a republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part. Different interests necessarily exist in different classes of citizens. If a majority be united by a common interest, the rights of the minority will be insecure. There are but two methods of providing against this evil: the one by creating a will in the community independent of the majority—that is, of the society itself; the other, by comprehending in the society so many separate descriptions of citizens as will render an unjust combination of a majority of the whole very improbable, if not impracticable. The first method prevails in all governments possessing an hereditary or self-appointed authority. This, at best, is but a precarious security; because a power independent of the society may as well espouse the unjust views of the major, as the rightful interests of the minor party, and may possibly be turned against both parties. The second method will be exemplified in the federal republic of the United States. Whilst all authority in it will be derived from and dependent on the society, the society itself will be broken into so many parts, interests, and classes of citizens, that the rights of individuals, or of the minority, will be in little danger from interested combinations of the majority. In a free

government the security for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects. The degree of security in both cases will depend on the number of interests and sects; and this may be presumed to depend on the extent of country and number of people comprehended under the same government. This view of the subject must particularly recommend a proper federal system to all the sincere and considerate friends of republican government, since it shows that in exact proportion as the territory of the Union may be formed into more circumscribed Confederacies, or States, oppressive combinations of a majority will be facilitated; the best security, under the republican forms, for the rights of every class of citizens will be diminished; and consequently the stability and independence of some member of the government, the only other security, must be proportionally increased. Justice is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it be obtained, or until liberty be lost in the pursuit. In a society under the forms of which the stronger faction can readily unite and oppress the weaker, anarchy may as truly be said to reign as in a state of nature, where the weaker individual is not secured against the violence of the stronger; and as, in the latter state, even the stronger individuals are prompted, by the uncertainty of their condition, to submit to a government which may protect the weak as well as themselves; so, in the former state, will the more powerful factions or parties be gradually induced, by a like motive, to wish for a government which will protect all parties, the weaker as well as the more powerful. It can be little doubted that if the State of Rhode Island was separated from the Confederacy and left to itself, the insecurity of rights under the popular form of government within such narrow limits would be displayed by such reiterated oppressions of factious majorities that some power altogether independent of the people would soon be called for by the voice of the very factions whose misrule had proved the necessity of it. In the extended republic of the United States, and among the great variety of interests, parties, and sects which it embraces, a coalition of a majority of the whole society could seldom take place on any other principles than those of justice and the general good; whilst there being thus less danger to a minor from the will of a major party, there must be less pretext, also, to provide for the security of the former, by introducing into the government a will not dependent on the latter, or, in other words, a will independent of the society itself. It is no less certain than it is important, notwithstanding the contrary opinions which have been entertained, that the larger the society, provided it lie within a practical sphere, the more duly capable it will be of self-government. And happily for the *republican cause*, the practicable sphere may be carried to a very great extent by a judicious modification and mixture of the *federal principle*.

RICHARD HENRY LEE

When the Convention's draft of a Constitution was presented to Virginia for ratification, one of its outstanding opponents was Richard Henry Lee (1732–1794), author of *The Federal Farmer*. Lee, member of a leading Virginia family, had opposed the British from the Stamp Act through the Second Continental Congress. He helped unite the separate committees of correspondence in 1773; pressed for vigorous measures in the First Continental Congress; and was one of the earliest advocates of independence as a means to secure foreign alliances. He urged Virginia to adopt her resolutions calling for independence in May, 1776, and moved a Declaration of Independence by the United States on June seventh. Lee served in the Revolutionary Congress until 1780, when he returned to Virginia.

Lee argues against the Constitution as a *coup d'état*, holding that it exceeds the Convention's powers and is being pushed by people who were using fear of violence, such as Shays's rebellion, to hurry the country into acceptance. The Constitution aims to eliminate the states in favor of a "consolidated" government of indefinite powers. Those powers are too broadly granted to permit any government to be both free and strong in an area so great as that which reaches from Canada to Florida and from the Atlantic to the banks of the Mississippi. Furthermore, certain rights are insufficiently protected, especially trial by jury,

for the "few and well-born" whom Mr. Adams trusts are, "in judicial decisions as well as legislative, generally disposed, and very naturally, too, to favour those of their own description." The entire Constitution is a transfer of power from the many to the few, so arranged that amendment will be virtually impossible.

The full title of Lee's work is *Observations Leading to a Fair Examination of the System of Government Proposed by the Convention. . . . In a Series of Letters from the Federal Farmer to the Republican* (New York, 1787). The selection is reprinted from the original edition.

Letters of a Federal Farmer

BY RICHARD HENRY LEE

Letter V

Thus I have examined the federal constitution as far as a few days leisure would permit. It opens to my mind a new scene; instead of seeing powers cautiously lodged in the hands of numerous legislators, and many magistrates, we see all important powers collecting in one centre, where a few men will possess them almost at discretion. And instead of checks in the formation of the government, to secure the rights of the people against the usurpations of those they appoint to govern, we are to understand the equal division of lands among our people, and the strong arm furnished them by nature and situation, are to secure them against those usurpations. If there are advantages in the equal division of our lands, and the strong and manly habits of our people, we ought to establish governments calculated to give duration to them, and not governments which never can work naturally, till that equality of property, and those free and manly habits shall be destroyed; these evidently are not the natural basis of the proposed constitution. No man of reflection, and skilled in the science of government, can suppose these will move on harmoniously together for ages, or even for fifty years. As to the little circumstances commented upon, by some writers, with applause—as the age of a representative, of the president, &c.—they have, in my mind, no weight in the general tendency of the system.

There are, however, in my opinion, many good things in the proposed system. It is founded on elective principles, and the deposits of power in different hands, is essentially right. The guards against those evils we have experienced in some states in legislation are valuable indeed; but the value of every feature in this system is vastly lessened for the want of that one important feature in a free government, a representation of the people. Because we have sometimes abused democracy, I am not among those men who think a democratic branch a nuisance; which branch shall be sufficiently numerous to admit some of the best informed men of each order in the community into administration of government.

While the radical defects in the proposed system are not so soon discovered, some temptations to each state, and to many classes of men to adopt it, are very visible. It uses the democratic language of several of the state constitutions, particularly that of Massachusetts; the eastern states will receive advantages so far as the regulation of trade, by a bare majority, is committed to it: Connecticut and New Jersey will receive their share of a general impost: The middle states will receive the advantages surrounding the seat of government; The southern states will receive protection, and have their negroes represented in the legislature, and large back countries will soon have a majority in it. This system promises a large field of employment to military gentlemen, and gentlemen of the law; and in case the government shall be executed without convulsions, it will afford security to creditors, to the clergy, salarymen and others depending on money payments. So far as the system promises justice and reasonable advantages, in these respects, it ought to be supported by all honest men; but whenever it promises unequal and improper advantages to any particular states, or orders of men, it ought to be opposed.

I have, in the course of these letters observed, that there are many good things in the proposed constitution, and I have endeavored to point out many important defects in it. I have admitted that we want a federal system—that we have a system presented, which, with several alterations may be made a tolerable good one—I have admitted there is a well founded uneasiness among creditors and mercantile men. In this situation of things, you

ask me what I think ought to be done? My opinion in this case is only the opinion of an individual, and so far only as it corresponds with the opinions of the honest and substantial part of the community, is it entitled to consideration. Though I am fully satisfied that the state conventions ought most seriously to direct their exertions to altering and amending the system proposed before they shall adopt it—yet I have not sufficiently examined the subject, or formed an opinion, how far it will be practicable for those conventions to carry their amendments. As to the idea, that it will be in vain for those conventions to attempt amendments, it cannot be admitted; it is impossible to say whether they can or not until the attempt shall be made; and when it shall be determined, by experience, that the conventions cannot agree in amendments, it will then be an important question before the people of the United States, whether they will adopt or not the system proposed in its present form. This subject of consolidating the states is new: and because forty or fifty men have agreed in a system, to suppose the good sense of this country, an enlightened nation, must adopt it without examination, and though in a state of profound peace, without endeavouring to amend those parts they perceive are defective, dangerous to freedom, and destructive of the valuable principles of republican government—is truly humiliating. It is true there may be danger in delay; but there is danger in adopting the system in its present form; and I see the danger in either case will arise principally from the conduct and views of two very unprincipled parties in the United States—two fires, between which the honest and substantial people have long found themselves situated. One party is composed of little insurgents, men in debt, who want no law, and who want a share of the property of others; these are called levellers, Shayites, &c. The other party is composed of a few, but more dangerous men, with their servile dependents; these avariciously grasp at all power and property; you may discover in all the actions of these men, an evident dislike to free and equal government, and they will go systematically to work to change, essentially, the forms of government in this country; these are called aristocrats, m——ites, &c. &c. Between these two parties is the weight of the community; the men of middling property, men not in debt on the one hand, and men, on the other, content with republican governments, and not aiming at immense fortunes, offices, and power. In 1786, the little insurgents, the levellers, came forth, invaded the rights of others, and attempted to establish governments according to their wills. Their movements evidently gave encouragement to the other party, which, in 1787, has taken the political field, and with its fashionable dependants, and the tongue and the pen, is endeavoring to establish in a great haste, a politer kind of government. These two parties, which will probably be opposed or united as it may suit their interests and views, are really insignificant, compared with the solid, free, and independent part of the community. It is not my intention to suggest, that either of these parties, and the real friends of the proposed constitution, are the same men. The fact is, these aristocrats support and hasten the adoption of the proposed constitution, merely because they think it is a stepping stone to their favorite object. I think I am well founded in this idea; I think the general politics of these men support it, as well as the common observation among them, That the proffered plan is the best that can be got at present, it will do for a few years, and lead to something better. The sensible and judicious part of the community will carefully weigh all these circumstances; they will view the late convention as a respectable body of men—America probably never will see an assembly of men, of a like number, more respectable. But the members of the convention met without knowing the sentiments of one man in ten thousand in these states respecting the new ground taken. Their doings are but the first attempts in the most important scene ever opened. Though each individual in the state conventions will not, probably, be so respectable as each individual in the federal convention, yet as the state conventions will probably consist of fifteen hundred or two thousand men of abilities, and versed in the science of government, collected from all parts of the community and from all orders of men, it must be acknowledged that the weight of respectability will be in them—In them will be collected the solid sense and the real political character of the country. Being revisers of the subject, they will possess peculiar advantages. To say that these conventions ought not to attempt, coolly and deliberately, the revision of the system, or that they cannot amend it, is very foolish or very assuming. If these conventions, after examining the system, adopt it, I shall be perfectly satisfied, and wish to see men make the administration of the government an equal blessing to all orders of men. I believe the great body of our people to be virtuous and friendly to good government, to the protection of liberty and property; and it is the duty of all good men, especially of those who are placed as sentinels to guard their rights—it is their duty to examine into the prevailing politics of parties, and to disclose them—while they avoid

exciting undue suspicions, to lay facts before the people, which will enable them to form a proper judgment. Men who wish the people of this country to determine for themselves, and deliberately to fit the government to their situation, must feel some degree of indignation at those attempts to hurry the adoption of a system, and to shut the door against examination. The very attempts create suspicions, that those who make them have secret views, or see some defects in the system, which, in the hurry of affairs, they expect will escape the eye of a free people.

What can be the views of those gentlemen in Pennsylvania, who precipitated decisions on this subject? What can be the views of those gentlemen in Boston, who countenanced the Printers in shutting up the press against a fair and free investigation of this important system in the usual way. The members of the convention have done their duty——why should some of them fly to their states—almost forget a propriety of behaviour, and precipitate measures for the adoption of a system of their own making? I confess candidly, when I consider these circumstances in connection with the unguarded parts of the system I have mentioned, I feel disposed to proceed with very great caution, and to pay more attention than usual to the conduct of particular characters. If the constitution presented be a good one, it will stand the test with a well informed people: all are agreed that there shall be state conventions to examine it; and we must believe it will be adopted, unless we suppose it is a bad one, or that those conventions will make false divisions respecting it. I admit improper measures are taken against the adoption of the system as well for it ——all who object to the plan proposed ought to point out the defects objected to, and to propose those amendments with which they can accept it, or to propose some other system of government, that the public mind may be known, and that we may be brought to agree in some system of government, to strengthen and execute the present, or to provide a substitute. I consider the field of enquiry just opened, and that we are to look to the state conventions for ultimate decisions on the subject before us; it is not to be presumed, that they will differ about small amendments, and lose a system when they shall have made it substantially good; but touching the essential amendments, it is to be presumed the several conventions will pursue the most rational measures to agree in and obtain them; and such defects as they shall discover and not remove, they will probably notice, keep them in view as the ground work of future amendments, and in the firm and manly language which every free people ought to use, will suggest to those who may hereafter administer the government, that it is their expectation, that the system will be so organized by legislative acts, and the government so administered, as to render those defects as little injurious as possible. Our countrymen are entitled to an honest and faithful government; to a government of laws and not of men; and also to one of their chusing—as a citizen of the country, I wish to see these objects secured, and licentious, assuming, and overbearing men restrained; if the constitution or social compact be vague and unguarded, then we depend wholly upon the prudence, wisdom and moderation of those who manage the affairs of government; or on what, probably, is equally uncertain and precarious, the success of the people oppressed by the abuse of government, in receiving it from the hands of those who abuse it, and placing it in the hands of those who will use it well.

In every point of view, therefore, in which I have been able, as yet, to contemplate this subject, I can discern but one rational mode of proceeding relative to it: and that is to examine it with freedom and candour, to have state conventions some months hence, which shall examine coolly every article, clause, and word in the system proposed, and to adopt it with such amendments as they shall think fit. How far the state conventions ought to pursue the mode prescribed by the federal convention of adopting or rejecting the plan in toto, I leave it to them to determine. Our examination of the subject hitherto has been rather of a general nature. The republican characters in the several states, who wish to make this plan more adequate to security of liberty and property, and to the duration of the principles of a free government, will, no doubt, collect their opinions to certain points, and accurately define those alterations and amendments they wish; if it shall be found they essentially disagree in them, the conventions will then be able to determine whether to adopt the plan as it is, or what will be proper to be done.

Under these impressions, and keeping in view the improper and unadvisable lodgment of powers in the general government, organized as it at present is, touching internal taxes, armies and militia, the elections of its own members, causes between citizens of different states, &c. and the want of a more perfect bill of rights, &c. I drop the subject for the present, and when I shall have leisure to revise and correct my ideas respecting it, and to collect into points the opinions of those who wish to make the system more secure and

safe, perhaps I may proceed to point out particularly for your consideration, the amendments which ought to be ingrafted into this system, not only in conformity to my own, but the deliberate opinions of others—you will with me perceive, that the objections to the plan proposed may, by a more leisure examination be set in a stronger point of view, especially the important one, that there is no substantial representation of the people provided for in a government in which the most essential powers, even as to the internal policy of the country, is proposed to be lodged.

I think the honest and substantial part of the community will wish to see this system altered, permanency and consistency given to the constitution we shall adopt; and therefore they will be anxious to apportion the powers to the features and organizations of the government, and to see abuse in the exercise of power more effectually guarded against. It is suggested, that state officers, from interested motives will oppose the constitution presented——I see no reason for this, their places in general will not be effected, but new openings to offices and places of profit must evidently be made by the adoption of the constitution in its present form.

THE BANK OF THE UNITED STATES

WITH THE REVOLUTIONARY debt of Congress funded at par and the debts of the states assumed by the Federal government, Hamilton launched upon his second great project: the establishment of a national bank. His leading hope for such an institution was that it would increase the capital available for the country's enterprise. Secondarily, since part of the subscription to the bank's capital was to be paid in public "stock," or bonds, United States securities would have an increased value to the financial community. For the rest, the Bank of the United States was to do a general banking business and, particularly, was to act as fiscal agent for the United States Treasury.

When Hamilton offered his plan for a Bank to be chartered by Congress, President Washington asked the opinion of his Attorney General, Edmund Randolph, as well as that of his Secretary of State, Thomas Jefferson. He wrote, in February, 1791, that Randolph denied the power of Congress to establish such an institution. On similar legalistic grounds, Jefferson objected to Hamilton's project: the Constitution created a government of limited powers, and the grant was to be strictly interpreted.

After some delay, Hamilton countered Jefferson's arguments in a report which insisted that, whatever the nature of the government established by the Constitution, that government had the right to all the instruments "necessary and proper" for carrying out the powers assigned to it. Here, in a remarkably able state paper, Hamilton expounds the theory of "implied powers," a theory which was to serve as the basis for Marshall's defense of the broad rights of the Federal government. Jefferson's opinion was written on February 15, 1791; Hamilton's on February 23, 1791. Washington, following Hamilton's lead, signed the act for the creation of the Bank two days later.

The text of the Jefferson opinion is reprinted from *The Writings of Thomas Jefferson*, ed. H. E. Bergh, Vol. III (Washington, 1907). The text of the Hamilton opinion is reprinted from *The Works of Alexander Hamilton*, ed. J. C. Hamilton, Vol. I (New York, 1810).

Opinion against the Constitutionality of a National Bank

BY THOMAS JEFFERSON

THE BILL for establishing a National Bank undertakes among other things:—

1. To form the subscribers into a corporation.

2. To enable them in their corporate capacities to receive grants of land; and so far is against the laws of *Mortmain*.

3. To make alien subscribers capable of holding lands; and so far is against the laws of *alienage*.

4. To transmit these lands, on the death of a proprietor, to a certain line of successors; and so far changes the course of *Descents*.

5. To put the lands out of the reach of forfeiture or escheat; and so far is against the laws of *Forfeiture and Escheat*.

6. To transmit personal chattels to successors in a certain line; and so far is against the laws of *Distribution*.

7. To give them the sole and exclusive right of banking under the national authority; and so far is against the laws of Monopoly.

8. To communicate to them a power to make laws paramount to the laws of the States; for so they must be construed, to protect the institution from the control of the State legislatures; and so, probably, they will be construed.

I consider the foundation of the Constitution as laid on this ground: That "all powers not delegated to the United States, by the Constitution, nor prohibited by it to the States, are reserved to the States or to the people." To take a single step beyond the boundaries thus specially drawn around the powers of Congress, is to take possession of a boundless field of power, no longer susceptible of any definition.

The incorporation of a bank, and the powers assumed by this bill, have not, in my opinion, been delegated to the United States, by the Constitution.

I. They are not among the powers especially enumerated: for these are: 1st. A power to lay taxes for the purpose of paying the debts of the United States; but no debt is paid by this bill, nor any tax laid. Were it a bill to raise money, its origination in the Senate would condemn it by the Constitution.

2d. "To borrow money." But this bill neither borrows money nor ensures the borrowing it. The proprietors of the bank will be just as free as any other money holders, to lend or not to lend their money to the public. The operation proposed in the bill, first, to lend them two millions, and then to borrow them back again, cannot change the nature of the latter act, which will still be a payment, and not a loan, call it by what name you please.

3d. To "regulate commerce with foreign nations, and among the States, and with the Indian tribes." To erect a bank, and to regulate commerce, are very different acts. He who erects a bank, creates a subject of commerce in its bills; so does he who makes a bushel of wheat, or digs a dollar out of the mines; yet neither of these persons regulates commerce thereby. To make a thing which may be bought and sold, is not to prescribe regulations for buying and selling. Besides, if this was an exercise of the power of regulating commerce, it would be void, as extending as much to the internal commerce of every State, as to its external. For the power given to Congress by the Constitution does not extend to the internal regulation of the commerce of a State, (that is to say of the commerce between citizen and citizen,) which remain exclusively with its own legislature; but to its external commerce only, that is to say, its commerce with another State, or with foreign nations, or with the Indian tribes. Accordingly the bill does not propose the measure as a regulation of trade, but as "productive of considerable advantages to trade." Still less are these powers covered by any other of the special enumerations.

II. Nor are they within either of the general phrases, which are the two following:—

1. To lay taxes to provide for the general welfare of the United States, that is to say, "to lay taxes for *the purpose* of providing for the general welfare." For the laying of taxes is the *power*, and the general welfare the *purpose* for which the power is to be exercised. They are not to lay taxes *ad libitum for any purpose they please;* but only *to pay the debts or provide for the welfare of the Union*. In like manner, they are not *to do anything they please* to provide for the general welfare, but only to *lay taxes* for that purpose. To consider the latter phase, not as describing the purpose of the first, but as giving a distinct and independent power to do any act they please, which might be for the good of the Union, would render all the preceding and subsequent enumerations of power completely useless.

It would reduce the whole instrument to a single phrase, that of instituting a Congress with power to do whatever would be for the good of the United States; and, as they would be the sole judges of the good or evil, it would be also a power to do whatever evil they please.

It is an established rule of construction where a phrase will bear either of two meanings, to give it that which will allow some meaning to the other parts of the instrument, and not that which would render all the others useless. Certainly no such universal power was meant to be given them. It was intended to lace them up straitly within the enumerated powers, and those without which, as means, these powers could not be carried into effect. It is known that the very power now proposed *as a means* was rejected as *an end* by the Convention which formed the Constitution. A proposi-

tion was made to them to authorize Congress to open canals, and an amendatory one to empower them to incorporate. But the whole was rejected, and one of the reasons for rejection urged in debate was, that then they would have a power to erect a bank, which would render the great cities, where there were prejudices and jealousies on the subject, adverse to the reception of the Constitution.

2. The second general phrase is, "to make all laws *necessary* and proper for carrying into execution the enumerated powers." But they can all be carried into execution without a bank. A bank therefore is not *necessary*, and consequently not authorized by this phrase.

It has been urged that a bank will give great facility or convenience in the collection of taxes. Suppose this were true: yet the Constitution allows only the means which are "*necessary*," not those which are merely "convenient" for effecting the enumerated powers. If such a latitude of construction be allowed to this phrase as to give any non-enumerated power, it will go to every one, for there is not one which ingenuity may not torture into a *convenience* in some instance *or other*, to *some one* of so long a list of enumerated powers. It would swallow up all the delegated powers, and reduce the whole to one power, as before observed. Therefore it was that the Constitution restrained them to the *necessary* means, that is to say, to those means without which the grant of power would be nugatory.

But let us examine this convenience and see what it is. The report on this subject, page 3, states the only *general* convenience to be, the preventing the transportation and re-transportation of money between the States and the treasury (for I pass over the increase of circulating medium, ascribed to it as a want, and which, according to my ideas of paper money, is clearly a demerit). Every State will have to pay a sum of tax money into the treasury; and the treasury will have to pay, in every State, a part of the interest on the public debt, and salaries to the officers of government resident in that State. In most of the States there will be a surplus of tax money to come up to the seat of government for the officers residing there. The payments of interest and salary in each State may be made by treasury orders on the State collector. This will take up the great export of the money he has collected in his State, and consequently prevent the great mass of it from being drawn out of the State. If there be a balance of commerce in favor of that State against the one in which the government resides, the surplus of taxes will be remitted by the bills of exchange drawn for that commercial balance. And so it must be if there was a bank. But if there be no balance of commerce, either direct or circuitous, all the banks in the world could not bring up the surplus of taxes, but in the form of money. Treasury orders then, and bills of exchange may prevent the displacement of the main mass of the money collected, without the aid of any bank; and where these fail, it cannot be prevented even with that aid.

Perhaps, indeed, bank bills may be a more *convenient* vehicle than treasury orders. But a little *difference* in the degree of *convenience*, cannot constitute the necessity which the constitution makes the ground for assuming any non-enumerated power.

Besides; the existing banks will, without a doubt, enter into arrangements for lending their agency, and the more favorable, as there will be a competition among them for it; whereas the bill delivers us up bound to the national bank, who are free to refuse all arrangement, but on their own terms, and the public not free, on such refusal, to employ any other bank. That of Philadelphia, I believe, now does this business, by their post-notes, which, by an arrangement with the treasury, are paid by any State collector to whom they are presented. This expedient alone suffices to prevent the existence of that *necessity* which may justify the assumption of a non-enumerated power as a means for carrying into effect an enumerated one. The thing may be done, and has been done, and well done, without this assumption; therefore, it does not stand on that degree of *necessity* which can honestly justify it.

It may be said that a bank whose bills would have a currency all over the States, would be more convenient than one whose currency is limited to a single State. So it would be still more convenient that there should be a bank, whose bills should have a currency all over the world. But it does not follow from this superior conveniency, that there exists anywhere a power to establish such a bank; or that the world may not go on very well without it.

Can it be thought that the Constitution intended that for a shade or two of *convenience*, more or less, Congress should be authorized to break down the most ancient and fundamental laws of the several States; such as those against Mortmain, the laws of Alienage, the rules of descent, the acts of distribution, the laws of escheat and forfeiture, the laws of monopoly? Nothing but a necessity invincible by any other means, can justify such a prostitution of laws, which constitute the pillars of our whole system of jurisprudence. Will Con-

gress be too straitlaced to carry the Constitution into honest effect, unless they may pass over the foundation-laws of the State government for the slightest convenience of theirs?

The negative of the President is the shield provided by the Constitution to protect against the invasions of the legislature: 1. The right of the Executive. 2. Of the Judiciary. 3. Of the States and State legislatures. The present is the case of a right remaining exclusively with the States, and consequently one of those intended by the Constitution to be placed under its protection.

It must be added, however, that unless the President's mind on a view of everything which is urged for and against this bill, is tolerably clear that it is unauthorized by the Constitution; if the pro and the con hang so even as to balance his judgment, a just respect for the wisdom of the legislature would naturally decide the balance in favor of their opinion. It is chiefly for cases where they are clearly misled by error, ambition, or interest, that the Constitution has placed a check in the negative of the President.

On the Constitutionality of a National Bank

BY ALEXANDER HAMILTON

. . . IF IT WOULD BE NECESSARY to bring proof to a proposition so clear, as that which affirms that the powers of the federal government, as to its objects, were sovereign, there is a clause of the Constitution which would be decisive. It is that which declares that the Constitution, and the laws of the United States made in pursuance of it, . . . shall be the supreme law of the land. The power which can create a supreme law of the land, in any case, is doubtless sovereign as to such case.

This general and indisputable principle puts at once an end to the *abstract* question, whether the United States have power to erect a corporation; that is to say, to give a legal or artificial capacity to one or more persons, distinct from the natural. For it is unquestionably incident to sovereign power to erect corporations, and consequently to that of the United States, in relation to the objects entrusted to the management of the government. . . .

It is not denied that there are implied as well as express powers, and that the former are as effectually delegated as the latter. And for the sake of accuracy it shall be mentioned, that there is another class of powers, which may be properly denominated resulting powers. . . .

It is conceded that implied powers are to be considered as delegated equally with express ones. Then it follows, that as a power of erecting a corporation may as well be implied as any other thing, it may as well be employed as an instrument or mean of carrying into execution any of the specified powers, as any other instrument or mean whatever. The only question must be, in this, as in every other case, whether the mean to be employed, or in this instance, the corporation to be erected, has a natural relation to any of the acknowledged objects or lawful ends of the government. Thus a corporation may not be erected by Congress for superintending the police of the city of Philadelphia, because they are not authorized to regulate the police of that city. But one may be erected in relation to the collection of taxes, or to the trade with foreign countries, or to the trade between the States, or with the Indian tribes; because it is the province of the federal government to regulate those objects and because it is incident to a general sovereign or legislative power to regulate a thing, to employ all the means which relate to its regulation to the best and greatest advantage. . . .

Through this mode of reasoning respecting the right of employing all the means requisite to the execution of the specified powers of the government, it is objected, that none but necessary and proper means are to be employed; and the Secretary of State maintains, that no means are to be considered as necessary but those without which the grant of the power would be nugatory. . . .

It is essential to the being of the national government, that so erroneous a conception of the meaning of the word necessary should be exploded.

It is certain, that neither the grammatical nor popular sense of the term requires that construction. According to both, necessary often means no more than needful, requisite, incidental, useful, or conducive to. . . . And it is the true one in which it is understood as used in the Constitution. The whole turn of the clause containing it indicates, that it was the intent of the Convention, by that clause, to give a liberal latitude to the exercise of the specific powers. The expressions have peculiar comprehensiveness. They are "to make all laws necessary and proper for carrying into execution the foregoing powers, and all other

powers, vested by the Constitution in the government of the United States, or in any department or officer thereof."

It is presumed to have been satisfactorily shown, in the course of the preceding observations,

I. That the power of the government, as to the objects intrusted to its management, is in its nature sovereign.

II. That the right of erecting corporations, is one inherent in, and inseparable from, the idea of sovereign power.

III. That the position, that the government of the United States can exercise no power but such as is delegated to it by its constitution, does not militate against this principle.

IV. That the word *necessary*, in the general clause, can have no *restrictive* operation, derogating from the force of this principle; indeed, that the degree in which a measure is, or is not necessary, cannot be a *test* of *constitutional* right, but of expediency only.

V. That the power to erect corporations, is not to be considered as an independent and substantive power, but as an incidental and auxiliary one; and was, therefore, more properly left to implication, than expressly granted.

VI. That the principle in question does not extend the power of the government beyond the prescribed limits, because it only affirms a power to incorporate for purposes *within the sphere of the specified powers.*

And lastly, that the right to exercise such a power, in certain cases, is unequivocally granted in the most positive and comprehensive terms. . . .

The proposed bank is to consist of an association of persons for the purpose of creating a joint capital to be employed, chiefly and essentially, in loans. So far the object is not only lawful, but it is the mere exercise of a right which the law allows to every individual. The bank of New-York, which is not incorporated, is an example of such an association. The bill proposes, in addition, that the government shall become a joint proprietor in this undertaking; and that it shall permit the bills of the company, payable on demand, to be receivable in its revenues; and stipulates that it shall not grant privileges, similar to those which are to be allowed to this company, to any others. All this is incontrovertibly within the compass of the discretion of the government. The only question is, whether it has a right to incorporate this company, in order to enable it the more effectually to accomplish ends, which are in themselves lawful.

To establish such a right, it remains to show the relation of such an institution, to one or more of the specified powers of the government.

Accordingly, it is affirmed, that it has a relation, more or less direct, to the power of collecting taxes; to that of borrowing money; to that of regulating trade between the states; and to those of raising and maintaining fleets and armies. To the two former, the relation may be said to be immediate.

And, in the last place, it will be argued, that it is clearly within the provision, which authorizes the making of all *needful rules* and *regulations* concerning the property of the United States, as the same has been practised upon by the government.

A bank relates to the collection of taxes in two ways. *Indirectly*, by increasing the quantity of circulating medium, and quickening circulation, which facilitates the means of paying; *directly*, by creating a *convenient species* of medium in which they are to be paid.

To designate or appoint the money or thing in which taxes are to be paid, is not only a proper, but a necessary, *exercise* of the power of collecting them. Accordingly, Congress, in the law concerning the collection of the duties on imposts and tonnage, have provided that they shall be payable in gold and silver. But while it was an indispensable part of the work to say in what they should be paid, the choice of the specific thing was mere matter of discretion. The payment might have been required in the commodities themselves. Taxes in kind, however ill judged, are not without precedents even in the United States; or it might have been in the paper money of the several states, or in the bills of the bank of North-America, New-York, and Massachusetts, all or either of them; or it might have been in bills issued under the authority of the United States.

No part of this can, it is presumed, be disputed. The appointment, then, of the money or *thing* in which the taxes are to be paid, is an incident to the power of collection. And among the expedients which may be adopted, is that of bills issued under the authority of the United States.

Now the manner of issuing these bills, is again matter of discretion. The government might, doubtless, proceed in the following manner: It might provide that they should be issued under the direction of certain officers, payable on demand; and in order to support their credit, and give them a ready circulation, it might, besides giving them a currency in its taxes, set apart, out of any monies in its treasury a given sum, and appropriate it, under the direction of those officers,

as a fund for answering the bills, as presented for payment.

The constitutionality of all this would not admit of a question, and yet it would amount to the institution of a bank, with a view to the more convenient collection of taxes. For the simplest and most precise idea of a bank, is, a deposit of coin or other property, as a fund for *circulating a credit* upon it, which is to answer the purpose of money. That such an arrangement would be equivalent to the establishment of a bank, would become obvious, if the place where the fund to be set apart was kept, should be made a receptacle of the monies of all other persons who should incline to deposit them there for safe keeping; and would become still more so, if the officers, charged with the direction of the fund, were authorized to make discounts at the usual rate of interest, upon good security. To deny the power of the government to add this ingredient to the plan, would be to refine away all government.

A further process will still more clearly illustrate the point. Suppose, when the species of bank which has been described, was about to be instituted, it were to be urged, that in order to secure to it a due degree of confidence, the fund ought not only to be set apart and appropriated generally, but ought to be specifically vested in the officers who were to have the direction of it, and in their successors in office, to the end that it might acquire the character of *private property*, incapable of being resumed without a violation of the sanction by which the rights of property are protected; and occasioning more serious and general alarm: the apprehension of which might operate as a check upon the government. Such a proposition might be opposed by arguments against the expediency of it, or the solidity of the reason assigned for it; but it is not conceivable what could be urged against its constitutionality.

And yet such a disposition of the thing would amount to the erection of a corporation; for the true definition of a corporation seems to be this: It is a *legal* person, or a person created by act of law; consisting of one or more natural persons, authorized to hold property or a franchise in succession, in a legal, as contradistinguished from a natural, capacity.

Let the illustration proceed a step further. Suppose a bank, of the nature which has been described, without or with incorporation, had been instituted, and that experience had evinced, as it probably would, that being wholly under a public direction, it possessed not the confidence requisite to the credit of its bills. Suppose also, that by some of those adverse conjunctures which occasionally attend nations, there had been a very great drain of the specie of the country, so as not only to cause general distress for want of an adequate medium of circulation; but to produce, in consequence of that circumstance, considerable defalcations in the public revenues. Suppose, also, that there was no bank instituted in any state: in such a posture of things would it not be most manifest, that the incorporation of a bank like that proposed by the bill, would be a measure immediately relative to the effectual collection of the taxes, and completely within the province of a sovereign power of providing, by all laws necessary and proper, for that collection.

If it be said, that such a state of things would render that necessary, and therefore constitutional, which is not so now; the answer to this, (and a solid one it doubtless is,) must still be, that which has been already stated; circumstances may affect the *expediency* of the measure, but they can neither add to, nor diminish its *constitutionality*.

A bank has a direct relation to the power of borrowing money, because it is an usual, and in sudden emergencies, an essential instrument, in the obtaining of loans to government.

A nation is threatened with a war; large sums are wanted on a sudden to make the requisite preparations; taxes are laid for the purpose; but it requires time to obtain the benefit of them; anticipation is indispensable. If there be a bank, the supply can at once be had; if there be none, loans from individuals must be sought. The progress of these is often too slow for the exigency; in some situations they are not practicable at all. Frequently when they are, it is of great consequence to be able to anticipate the product of them by advances from a bank.

The essentiality of such an institution, as an instrument of loans, is exemplified at this very moment. An Indian expedition is to be prosecuted. The only fund out of which the money can arise consistently with the public engagements, is a tax, which only begins to be collected in July next. The preparations, however, are instantly to be made. The money must therefore be borrowed; and of whom could it be borrowed, if there were no public banks?

It happens that there are institutions of this kind; but if there were none, it would be indispensable to create one.

Let it then be supposed, that the necessity existed, (as but for a casualty would be the case,) that proposals were made for obtaining a loan;

that a number of individuals came forward and said, we are willing to accommodate the government with this money; with what we have in hand, and the credit we can raise upon it, we doubt not of being able to furnish the sum required. But in order to do this, it is indispensable that we should be incorporated as a bank. This is essential towards putting it in our power to do what is desired, and we are obliged on that account to make it the *consideration* or *condition* of the loan.

Can it be believed that a compliance with this proposition would be unconstitutional? Does not this alone evince the contrary? It is a necessary part of a power to borrow, to be able to stipulate the considerations or conditions of a loan. It is evident, as has been remarked elsewhere, that this is not confined to the mere stipulation of a franchise. If it may, (and it is not perceived why it may not,) then the grant of a corporate capacity may be stipulated as a consideration of the loan. There seems to be nothing unfit, or foreign from the nature of the thing, in giving individuality, or a corporate capacity, to a number of persons who are willing to lend a sum of money to the government, the better to enable them to do it, and make them an ordinary instrument of loans in future emergencies of state.

But the more general view of the subject is still more satisfactory. The legislative power of borrowing money, and of making all laws necessary and proper for carrying into execution that power, seems obviously competent to the appointment of the *organ* through which the abilities and wills of individuals may be most efficaciously exerted, for the accommodation of the government by loans. . . .

The institution of a bank has also a natural relation to the regulation of trade between the states, in so far as it is conducive to the creation of a convenient medium of exchange between them, and to the keeping up a full circulation, by preventing the frequent displacement of the metals in reciprocal remittances. Money is the very hinge on which commerce turns. And this does not mean merely gold and silver; many other things have served the purpose with different degrees of utility. Paper has been extensively employed.

It cannot therefore be admitted with the Attorney-General, that the regulation of trade between the states, as it concerns the medium of circulation and exchange, ought to be considered as confined to coin. It is even supposeable that the whole, or the greatest part, of the coin of the country, might be carried out of it.

The Secretary of State objects to the relation here insisted upon, by the following mode of reasoning: To erect a bank, says he, and to regulate commerce, are very different acts. He who erects a bank, creates a subject of commerce. So does he who raises a bushel of wheat, or digs a dollar out of the mines; yet neither of these persons regulates commerce thereby. To make a thing which may be bought and sold, is not to prescribe regulations for *buying* and *selling*. This is making the regulation of commerce to consist in prescribing rules for buying and selling.

This indeed is a species of regulation of trade, but it is one which falls more aptly within the province of the local jurisdictions, than within that of the general government, whose care they must have presumed to have been intended to be directed to those general political arrangements concerning trade, on which its aggregate interests depend, rather than to the details of buying and selling.

Accordingly, such only are the regulations to be found in the laws of the United States; whose objects are to give encouragement to the enterprise of our own merchants, and to advance our navigation and manufactures.

And it is in reference to these general relations of commerce, that an establishment which furnishes facilities to circulation, and a convenient medium of exchange and alienation, is to be regarded as a regulation of trade.

The Secretary of State further urges, that if this was a regulation of commerce, it would be *void*, as *extending* as much to the internal part of every state, as to its external. But what regulation of commerce does not extend to the internal commerce of every state? What are all the duties upon imported articles, amounting in some cases to prohibitions, but so many bounties upon domestic manufactures, affecting the interest of different classes of citizens in different ways? What are all the provisions in the coasting act, which relate to the trade between district and district of the same state? In short, what regulation of trade between the states, but must affect the internal trade of each state? what can operate upon the whole, but must extend to every part? . . .

Illustrations of this kind might be multiplied without end. They shall, however, be pursued no further.

There is a sort of evidence on this point, arising from an aggregate view of the constitution, which is of no inconsiderable weight. The very general power of laying and collecting taxes, and appropriating their proceeds; that of borrowing money indefinitely; that of coining money and regulating

foreign coins; that of making all needful rules and regulations respecting the property of the United States: These powers combined, as well as the reason and nature of the thing, speak strongly this language: that it is the manifest design and scope of the constitution, to vest in Congress all the powers requisite to the effectual administration of the finances of the United States. As far as concerns this object, there appears to be no parsimony of power.

To suppose then, that the government is precluded from the employment of so usual and so important an instrument for the administration of its finances as that of a bank, is to suppose what does not coincide with the general tenour and complexion of the constitution, and what is not agreeable to impressions that any mere spectator would entertain concerning it. Little less than a prohibiting clause can destroy the strong presumptions which result from the general aspect of the government. Nothing but demonstration should exclude the idea that the power exists.

To all questions of this nature, the practice of mankind ought to have great weight against the theories of individuals.

The fact, for instance, that all the principal commercial nations have made use of trading corporations or companies, for the purpose of *external commerce*, is a satisfactory proof, that the establishment of them, is an incident to the regulation of commerce.

This other fact, that banks are an usual engine in the administration of national finances, and an ordinary, and the most effectual, instrument of loans, and one which, in this country, has been found essential, pleads strongly against the supposition, that a government clothed with most of the important prerogatives of sovereignty, in relation to its revenues, its debt, its credit, its defence, its trade, its intercourse with foreign nations, is forbidden to make use of that instrument as an appendage to its own authority.

It has been stated as an auxiliary test of constitutional authority, to try whether it abridges any preexisting right of any state or any individual. The proposed measure will stand the most severe examination on this point. Each state may still erect as many banks as it pleases; every individual may still carry on the banking business to any extent he pleases.

Another criterion may be this; whether the institution or thing has a more direct relation as to its uses—to the objects of the reserved powers of the state government, than to those of the powers delegated by the United States? This rule, indeed, is less precise than the former; but it may still serve as some guide. Surely a bank has more reference to the objects intrusted to the national government, than to those left to the care of the state government. The common defence is decisive in this comparison. . . .

MANUFACTURES

In December, 1791, Alexander Hamilton (1757–1804), Washington's Secretary of the Treasury, submitted another of his famous memoranda to Congress, this one being the *Report on the Subject of Manufactures.* It is the fullest and most closely reasoned of his statements; and it has long served as a text, both here and abroad, for those who have sought the development of manufacturing industries through government intervention. All the classical arguments in support of protectionism are here; although it should be said in defense of Hamilton that he was more disposed to the use of government bounties and subsidies than of high protective duties. One of the most interesting pieces of analysis in the *Report* is the likely effect on the whole economy of a supported manufacturing interest: it will strengthen rather than weaken agriculture; create further opportunities for enterprise and investment; furnish new employment possibilities; attract immigration. This is the conception that later came to be known as "The Harmony of Interests" idea and it is phrased remarkably well by Hamilton.

The selection here reprinted is from the *Works of Alexander Hamilton* (New York, 1810).

Report on the Subject of Manufactures

BY ALEXANDER HAMILTON

. . . II. But, without contending for the superior productiveness of manufacturing industry, it may conduce to a better judgment of the policy which ought to be pursued respecting its encouragement, to contemplate the subject under some additional aspects, tending not only to confirm the idea that this kind of industry has been improperly represented as unproductive in itself, but to evince, in addition, that the establishment and diffusion of manufactures have the effect of rendering the total mass of useful and productive labor, in a community, greater than it would otherwise be. In prosecuting this discussion, it may be necessary briefly to résumé and review some of the topics which have been already touched.

To affirm that the labor of the manufacturer is unproductive, because he consumes as much of the produce of land as he adds value to the raw material which he manufactures, is not better founded than it would be to affirm that the labor of the farmer, which furnishes materials to the manufacturer, is unproductive, because he consumes an equal value of manufactured articles. Each furnishes a certain portion of the produce of his labor to the other, and each destroys a corresponding portion of the produce of the labor of the other. In the meantime, the maintenance of two citizens, instead of one, is going on; the State has two members instead of one; and they, together, consume twice the value of what is produced from the land.

If, instead of a farmer and artificer, there were a farmer only, he would be under the necessity of devoting a part of his labor to the fabrication of clothing and other articles, which he would procure of the artificer, in the case of there being such a person; and of course he would be able to devote less labor to the cultivation of his farm, and would draw from it a proportionately less product. The whole quantity of production, in this state of things, in provisions, raw materials, and manufactures, would certainly not exceed in value the amount of what would be produced in provisions and raw materials only, if there were an artificer as well as a farmer.

Again, if there were both an artificer and a farmer, the latter would be left at liberty to pursue exclusively the cultivation of his farm. A greater quantity of provisions and raw materials would, of course, be produced, equal, at least, as has been already observed, to the whole amount of the provisions, raw materials, and manufactures, which would exist on a contrary supposition. The artificer, at the same time, would be going on in the production of manufactured commodities, to an amount sufficient, not only to repay the farmer, in those commodities, for the provisions and materials which were procured from him, but to furnish the artificer himself with a supply of similar commodities for his own use. Thus, then, there would be two quantities or values in existence, instead of one; and the revenue and consumption would be double, in one case, what it would be in the other.

If, in place of both of these suppositions, there were supposed to be two farmers and no artificer, each of whom applied a part of his labor to the culture of land and another part to the fabrication of manufactures; in this case, the portion of the labor of both, bestowed upon land, would produce the same quantity of provisions and raw materials only, as would be produced by the entire sum of the labor of one, applied in the same manner; and the portion of the labor of both, bestowed upon manufactures, would produce the same quantity of manufactures only, as would be produced by the entire sum of the labor of one, applied in the same manner. Hence, the produce of the labor of the two farmers would not be greater than the produce of the labor of the farmer and artificer; and hence it results, that the labor of the artificer is as positively productive as that of the farmer, and as positively augments the revenue of the society.

The labor of the artificer replaces to the farmer that portion of his labor with which he provides the materials of exchange with the artificer, and which he would otherwise have been compelled to apply to manufactures; and while the artificer thus enables the farmer to enlarge his stock of agricultural industry, a portion of which he purchases for his own use, he also supplies himself with the manufactured articles of which he stands in need. He does still more. Besides this equivalent, which he gives for the portion of agricultural labor consumed by him, and this supply of manufactured commodities for his own consumption, he furnishes still a surplus, which compensates for the use of the capital advanced, either by himself or some other person, for carrying on the business. This is the ordinary profit of the stock employed in the manufactory, and is, in every sense, as effec-

tive an addition to the income of the society as the rent of land.

The produce of the labor of the artificer, consequently, may be regarded as composed of three parts: one, by which the provisions for his subsistence and the materials for his work are purchased of the farmer; one, by which he supplies himself with manufactured necessaries; and a third, which constitutes the profit on the stock employed. The two last portions seem to have been overlooked in the system which represents manufacturing industry as barren and unproductive.

In the course of the preceding illustrations, the products of equal quantities of the labor of the farmer and artificer have been treated as if equal to each other. But this is not to be understood as intending to assert any such precise equality. It is merely a manner of expression, adopted for the sake of simplicity and perspicuity. Whether the value of the produce of the labor of the farmer be somewhat more or less than that of the artificer, is not material to the main scope of the argument, which, hitherto, has only aimed at showing that the one, as well as the other, occasions a positive augmentation of the total produce and revenue of the society.

It is now proper to proceed a step further, and to enumerate the principal circumstances from which it may be inferred that manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, but that they contribute essentially to rendering them greater than they could possibly be without such establishments. These circumstances are:

1. The division of labor.
2. An extension of the use of machinery.
3. Additional employment to classes of the community not ordinarily engaged in the business.
4. The promoting of emigration from foreign countries.
5. The furnishing greater scope for the diversity of talents and dispositions, which discriminate men from each other.
6. The affording a more ample and various field for enterprise.
7. The creating, in some instances, a new, and securing, in all, a more certain and steady demand for the surplus produce of the soil.

Each of these circumstances has a considerable influence upon the total mass of industrious effort in a community; together, they add to it a degree of energy and effect which is not easily conceived. Some comments upon each of them, in the order in which they have been stated, may serve to explain their importance.

1. *As to the division of labor*

It has justly been observed, that there is scarcely any thing of greater moment in the economy of a nation than the proper division of labor. The separation of occupations causes each to be carried to a much greater perfection than it could possibly acquire if they were blended. This arises principally from three circumstances:

1st. The greater skill and dexterity naturally resulting from a constant and undivided application to a single object. It is evident that these properties must increase in proportion to the separation and simplification of objects, and the steadiness of the attention devoted to each; and must be less in proportion to the complication of objects, and the number among which the attention is distracted.

2d. The economy of time, by avoiding the loss of it, incident to a frequent transition from one operation to another of a different nature. This depends on various circumstances: the transition itself, the orderly disposition of the implements, machines, and materials employed in the operation to be relinquished, the preparatory steps to the commencement of a new one, the interruption of the impulse which the mind of the workman acquires from being engaged in a particular operation, the distractions, hesitations, and reluctances which attend the passage from one kind of business to another.

3d. An extension of the use of machinery. A man occupied on a single object will have it more in his power, and will be more naturally led to exert his imagination, in devising methods to facilitate and abridge labor, than if he were perplexed by a variety of independent and dissimilar operations. Besides this the fabrication of machines, in numerous instances, becoming itself a distinct trade, the artist who follows it has all the advantages which have been enumerated, for improvement in his particular art; and, in both ways, the invention and application of machinery are extended.

And from these causes united, the mere separation of the occupation of the cultivator from that of the artificer, has the effect of augmenting the productive powers of labor, and with them, the total mass of the produce or revenue of a country. In this single view of the subject, therefore, the utility of artificers or manufacturers, towards producing an increase of productive industry, is apparent.

2. *As to an extension of the use of machinery, a point which, though partly anticipated, requires to be placed in one or two additional lights*

The employment of machinery forms an item of great importance in the general mass of national industry. It is an artificial force brought in aid of the natural force of man; and, to all the purposes of labor, is an increase of hands, an accession of strength, unencumbered too by the expense of maintaining the laborer. May it not, therefore, be fairly inferred, that those occupations which give greatest scope to the use of this auxiliary, contribute most to the general stock of industrious effort, and, in consequence, to the general product of industry?

It shall be taken for granted, and the truth of the position referred to observation, that manufacturing pursuits are susceptible, in a greater degree, of the application of machinery, than those of agriculture. If so, all the difference is lost to a community which, instead of manufacturing for itself, procures the fabrics requisite to its supply from other countries. The substitution of foreign for domestic manufactures is a transfer to foreign nations of the advantages accruing from the employment of machinery, in the modes in which it is capable of being employed with most utility and to the greatest extent.

The cotton-mill, invented in England, within the last twenty years, is a signal illustration of the general proposition which has been just advanced. In consequence of it, all the different processes for spinning cotton are performed by means of machines, which are put in motion by water, and attended chiefly by women and children—and by a smaller number of persons, in the whole, than are requisite in the ordinary mode of spinning. And it is an advantage of great moment, that the operations of this mill continue with convenience during the night as well as through the day. The prodigious effect of such a machine is easily conceived. To this invention is to be attributed, essentially, the immense progress which has been so suddenly made in Great Britain, in the various fabrics of cotton.

3. *As to the additional employment of classes of the community not originally engaged in the particular business*

This is not among the least valuable of the means by which manufacturing institutions contribute to augment the general stock of industry and production. In places where those institutions prevail, besides the persons regularly engaged in them, they afford occasional and extra employment to industrious individuals and families, who are willing to devote the leisure resulting from the intermissions of their ordinary pursuits to collateral labors, as a resource for multiplying their acquisitions or their enjoyments. The husbandman himself experiences a new source of profit and support from the increased industry of his wife and daughters, invited and stimulated by the demands of the neighboring manufactories.

Besides this advantage of occasional employment to classes having different occupations, there is another, of a nature allied to it, and of a similar tendency. This is the employment of persons who would otherwise be idle, and in many cases a burthen on the community, either from the bias of temper, habit, infirmity of body, or some other cause, indisposing or disqualifying them for the toils of the country. It is worthy of particular remark that, in general, women and children are rendered more useful, and the latter more early useful, by manufacturing establishments, than they would otherwise be. Of the number of persons employed in the cotton manufactories of Great Britain, it is computed that four sevenths nearly are women and children, of whom the greatest proportion are children, and many of them of a tender age.

And thus it appears to be one of the attributes of manufactures, and one of no small consequence, to give occasion to the exertion of a greater quantity of industry, even by the same number of persons, where they happen to prevail, than would exist if there were no such establishments.

4. *As to the promoting of emigration from foreign countries*

Men reluctantly quit one course of occupation and livelihood for another, unless invited to it by very apparent and proximate advantages. Many who would go from one country to another, if they had a prospect of continuing with more benefit the callings to which they have been educated, will often not be tempted to change their situation by the hope of doing better in some other way. Manufacturers who, listening to the powerful invitations of a better price for their fabrics or their labor, of greater cheapness of provisions and raw materials, of an exemption from the chief part of the taxes, burthens, and restraints which they endure in the Old World, of greater personal independence and consequence, under the operation of a more equal government, and of what is far more precious than mere religious toleration, a perfect equality of religious privileges, would probably flock from Europe to the United States, to pursue their own trades or professions, if they

were once made sensible of the advantages they would enjoy, and were inspired with an assurance of encouragement and employment, will with difficulty, be induced to transplant themselves, with a view to becoming cultivators of land.

If it be true, then, that it is the interest of the United States to open every possible avenue to emigration from abroad, it affords a weighty argument for the encouragement of manufactures; which, for the reasons just assigned, will have the strongest tendency to multiply the inducements to it.

Here is perceived an important resource, not only for extending the population, and with it the useful and productive labor of the country, but likewise for the prosecution of manufactures, without deducting from the number of hands which might otherwise be drawn to tillage, and even for the indemnification of agriculture for such as might happen to be diverted from it. Many, whom manufacturing views would induce to emigrate, would, afterwards, yield to the temptations which the particular situation of this country holds out to agricultural pursuits. And while agriculture would, in other respects, derive many signal and unmingled advantages from the growth of manufactures, it is a problem whether it would gain or lose, as to the article of the number of persons employed in carrying it on.

5. *As to the furnishing greater scope for the diversity of talents and dispositions, which discriminate men from each other*

This is a much more powerful means of augmenting the fund of national industry, than may at first sight appear. It is a just observation, that minds of the strongest and most active powers for their proper objects, fall below mediocrity, and labor without effect, if confined to uncongenial pursuits. And it is thence to be inferred, that the results of human exertion may be immensely increased by diversifying its objects. When all the different kinds of industry obtain in a community, each individual can find his proper element, and can call into activity the whole vigor of his nature. And the community is benefited by the services of its respective members, in the manner in which each can serve it with most effect.

If there be any thing in a remark often to be met with, namely, that there is, in the genius of the people of this country, a peculiar aptitude for mechanic improvements; it would operate as a forcible reason for giving opportunities to the exercise of that species of talent, by the propagation of manufactures.

6. *As to the affording a more ample and various field for enterprise*

This also is of greater consequence in the general scale of national exertion than might, perhaps, on a superficial view be supposed, and has effects not altogether dissimilar from those of the circumstance last noticed. To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients by which the wealth of a nation may be promoted. Even things in themselves not positively advantageous sometimes become so, by their tendency to provoke exertion. Every new scene which is opened to the busy nature of man to rouse and exert itself, is the addition of a new energy to the general stock of effort.

The spirit of enterprise, useful and prolific as it is, must necessarily be contracted or expanded, in proportion to the simplicity or variety of the occupations and productions which are to be found in a society. It must be less in a nation of mere cultivators, than in a nation of cultivators and merchants; less in a nation of cultivators and merchants, than in a nation of cultivators, artificers, and merchants.

7. *As to the creating, in some instances, a new, and securing, in all, a more certain and steady demand for the surplus produce of the soil*

This is among the most important of the circumstances which have been indicated. It is a principal means by which the establishment of manufactures contributes to an augmentation of the produce or revenue of a country, and has an immediate and direct relation to the prosperity of agriculture.

It is evident that the exertions of the husbandman will be steady or fluctuating, vigorous or feeble, in proportion to the steadiness or fluctuation, adequateness or inadequateness, of the markets on which he must depend for the vent of the surplus which may be produced by his labor; and that such surplus, in the ordinary course of things, will be greater or less in the same proportion.

For the purpose of this vent, a domestic market is greatly to be preferred to a foreign one; because it is, in the nature of things, far more to be relied upon.

It is a primary object of the policy of nations, to be able to supply themselves with subsistence from their own soils; and manufacturing nations, as far as circumstances permit, endeavor to procure from the same source the raw materials necessary for their own fabrics. This disposition, urged by the spirit of monopoly, is sometimes even carried to

an injudicious extreme. It seems not always to be recollected, that nations who have neither mines nor manufactures can only obtain the manufactured articles of which they stand in need, by an exchange of the products of their soils; and that if those who can best furnish them with such articles are unwilling to give a due course to this exchange, they must, of necessity, make every possible effort to manufacture for themselves; the effect of which is, that the manufacturing nations abridge the natural advantages of their situation, through an unwillingness to permit the agricultural countries to enjoy the advantages of theirs, and sacrifice the interests of a mutually beneficial intercourse to the vain project of selling every thing and buying nothing.

But it is also a consequence of the policy which has been noted, that the foreign demand for the products of agricultural countries is, in a great degree, rather casual and occasional, than certain or constant. To what extent injurious interruptions of the demand for some of the staple commodities of the United States may have been experienced from that cause, must be referred to the judgment of those who are engaged in carrying on the commerce of the country; but it may be safely affirmed, that such interruptions are, at times, very inconveniently felt, and that cases not unfrequently occur, in which markets are so confined and restricted as to render the demand very unequal to the supply.

Independently, likewise, of the artificial impediments which are created by the policy in question, there are natural causes tending to render the external demand for the surplus of agricultural nations a precarious reliance. The differences of seasons in the countries which are the consumers, make immense differences in the produce of their own soils, in different years; and consequently in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time in the countries which are the furnishers, occasion, of course, a glut in the markets of the latter.

Considering how fast and how much the progress of new settlements in the United States must increase the surplus produce of the soil, and weighing seriously the tendency of the system which prevails among most of the commercial nations of Europe, whatever dependence may be placed on the force of natural circumstances to counteract the effects of an artificial policy, there appear strong reasons to regard the foreign demand for that surplus as too uncertain a reliance, and to desire a substitute for it in an extensive domestic market.

To secure such a market there is no other expedient than to promote manufacturing establishments. Manufacturers, who constitute the most numerous class, after the cultivators of land, are for that reason the principal consumers of the surplus of their labor.

This idea of an extensive domestic market for the surplus produce of the soil, is of the first consequence. It is, of all things, that which most effectually conduces to a flourishing state of agriculture. If the effect of manufactories should be to detach a portion of the hands which would otherwise be engaged in tillage, it might possibly cause a smaller quantity of lands to be under cultivation; but, by their tendency to procure a more certain demand for the surplus produce of the soil, they would, at the same time, cause the lands which were in cultivation to be better improved and more productive. And while by their influence, the condition of each individual farmer would be meliorated, the total mass of agricultural production would probably be increased. For this must evidently depend as much upon the degree of improvement, if not more, than upon the number of acres under culture.

It merits particular observation, that the multiplication of manufactories not only furnishes a market for those articles which have been accustomed to be produced in abundance in a country, but it likewise creates a demand for such as were either unknown or produced in inconsiderable quantities. The bowels as well as the surface of the earth are ransacked for articles which were before neglected. Animals, plants, and minerals acquire a utility and a value which were before unexplored.

The foregoing considerations seem sufficient to establish, as general propositions, that it is the interest of nations to diversify the industrious pursuits of the individuals who compose them; that the establishment of manufactures is calculated not only to increase the general stock of useful and productive labor, but even to improve the state of agriculture in particular,—certainly to advance the interests of those who are engaged in it. There are other views that will be hereafter taken of the subject, which it is conceived will serve to confirm these inferences. . . .

TENCH COXE

In Tench Coxe's essays, one sees the United States trying to cope with the problem of establishing an economic position sufficiently secure to free it from the pressure of need and to regain old markets, especially in the British West Indies. As a Philadelphia businessman during the Revolution, Coxe (1755–1824) had been accused of being a lukewarm Whig. He may not have been zealous enough to please a Committee of Safety, but he was an enthusiast for the economic future of America. That enthusiasm was expressed in accounts of Pennsylvania, in recommendations for promoting American manufactures, and in vigorous reply to Lord Sheffield's patronizing expectation of an American debacle. If British colonial policy excludes cheap American provisions and lumber from its West Indies islands, the French will benefit at their expense, Coxe argues; and if Americans achieved union in war for all their differences of "manners, of climates and of staples," they will not dissipate that union in time of peace.

Coxe was named Assistant Secretary of the Treasury in 1789, a post he held until President Adams removed him in 1797. Coxe turned to the opposite side then, and was appointed to office by Jefferson. Through all political alterations, Coxe advocated the same economic policy, a firm nationalism that sought to balance a properly dominant agriculture with industry judiciously fostered by a moderate tariff and American navigation laws modeled on the British. No conflict of interests was involved in such policy, for whatever helped manufactures helped agriculture as well. Coxe's argument on that score was to be repeated during the next decades and finally to become a dogma of Whig politics and Clay's "American System."

The selection here reprinted is from the original edition of *A View of the United States of America, in a Series of Papers Written at Various Times, between the Years 1787 and 1794* (Philadelphia, 1794).

A View of the United States of America

BY TENCH COXE

Chapter XVI: CONTAINING A SUMMARY STATEMENT OF THE PRINCIPAL FACTS, WHICH CHARACTERIZE THE AMERICAN PEOPLE, AND THEIR COUNTRY OR TERRITORY

The people of the United States have exploded those principles, by the operation of which religious oppressions and restrictions of whatever description, have been imposed upon mankind, and, rejecting mere toleration, they have placed upon one common and equal footing every church, sect or society of religious men.

They have exploded, in like manner, those principles, by the operation of which, civil oppressions have been inflicted upon mankind; and they have made an unexceeded progress in their practice upon the principles of free government.

While the fermentations of a civil and revolutionary contest were yet operating upon their minds, amidst the warmth of feeling incidental to that state of things, they have recently examined with sober attention the imperfections of their national and subordinate civil establishments: they reflected, with due seriousness, on the numerous inconveniencies, which those imperfections had produced, and upon the awful scenes in which they would probably be called upon *to suffer* or *to act*, if their civil constitutions should continue unamended: and they have since exhibited to the world the new and interesting spectacle of a whole people, meeting, as it were, *in their political plain* and *voluntarily imposing upon themselves the wholesome and necessary restraints of just government*. . . .

The public debt is smaller in proportion to the present wealth and population of the United States than the public debt of any other civilized nation.

The United States (including the operations of

the individual states) have sunk a much greater proportion of their public debt in the last ten years, than any other nation in the world.

The expences of the government are very much less; in proportion to wealth and numbers, than those of any nation in Europe.

There is no land tax among the national revenues, nor is there any interior tax, or excise upon food, drink, fuel, lights, or any native or foreign manufacture, or native or foreign production, except a duty of about four pence sterling upon domestic distilled spirits. The greatest part of the public burdens are paid by an import duty on foreign goods, which being drawn back on exportation, it remains only on what is actually consumed. It is in that view the lowest in the world, and operates greatly in favour of American manufactures.

Trade has been encouraged by a drawback of all the import duty on foreign goods, when they are exported, excepting only a very few commodities of a particular nature, which are not desired to be much imported into, or consumed in the United States.

A national mint is established under the direction of the ablest practical man in the arts and sciences which this country contains—*David Rittenhouse*. It is provided by law that the purity and intrinsic value of the silver coin shall be equal to that of Spain, and of the gold coins to those of the strictest European nations. The government of the United States foregoes all profit from the coinage: a political and wholesome forbearance.

The banks established in the several cities of Philadelphia, New-York, Boston, Baltimore, Charleston, Alexandria, &c. divide a profit of seven and an half to eight and an half per cent. per annum at present, which is paid half yearly.

The interest of the public debt of the United States is paid quarter yearly with a punctuality absolute and perfect. There is no tax on property in the funds and banks.

The shipbuilding of the United States was greater in the year 1792, than in any former year since the settlement of the country, and it is much greater in the current year, than it was in the last. Generally speaking, the art of shipbuilding was never so well understood, never so well executed, nor was there ever a time when so many of the manufactures requisite for the furniture, tackle, apparel and arming of vessels were made in the United States.

The value of the manufactures of the United States is certainly greater than double the value of their exports in native commodities.

The value of the manufactures of the United States, is much greater than the gross value of all their imports, including the value of goods exported again.

The manufactures of the United States consist generally of articles of comfort, utility, and necessity. Articles of luxury, elegance, and shew are not manufactured in America, excepting a few kinds.

The manufactures of the United States have increased very rapidly since the commencement of the revolutionary war, and particularly in the last five years.

Household manufactures are carried on within the families of almost all the farmers and planters, and of a great proportion of the inhabitants of the villages and towns. This practice is increasing under the animating influences of private interest and public spirit.

The exports of the United States have increased in the last two years about fourteen per cent.[1]

Those exports consist in a great degree of the most necessary food of man and working animals, and of raw materials, applicable to manufactures of the most general utility and consumption.

There is not any duty upon the exportation of the produce of the earth, nor can such duty be imposed on any exported commodities: the exportation of produce may be suspended or prohibited.

Produce and all other merchandize may be freely exported in the ships and vessels of all nations (not being alien enemies) without discrimination.

The exports of the United States are five times the amount of the national taxes and duties.

The amount of the outward freight of the ships and vessels of the United States, at this time, is probably equal to all their national taxes and duties. The inward freight is considerable. The earning of the fishing vessels, in lieu of freight, are also considerable. The coasting freights are greater in value than both the last.

All ships and vessels depart from the United States, fully laden, excepting a part of the East India traders.

A large quantity of tonnage is employed in the coasting trade.

A considerable quantity of tonnage is employed in the cod and whale fisheries.

The imports of the United States are less in value than the exports, deducting the outward freights of their own ships (which are returned in goods) the net sales of their ships to foreigners, the property imported by migrators from foreign countries, and the public impost.

[1] In the last three years they have increased from eighteen millions and one quarter: to twenty-six millions of dollars. September 30th, 1793.

The very great proportion of the imports, which consists of manufactures, (and from raw materials, which America can produce) affords constant and inviting opportunities to lessen the balance against the United States, in their trade with one foreign country, holds out a certain home market to skilful and industrious manufacturers in America, and gives promises to the landholder and farmer, of a very increasing demand for their produce, in which they cannot be deceived.

The imports of the United States, for consumption, have not been swelled in proportion to the increase of their population and wealth. *The reason is, the constant introduction of new branches of manufacture, and the great extension of the old branches.*

The imports, for consumption, into the United States are composed of manufactures in a much less proportion than heretofore, owing to *the same two causes.*

The imports of the United States have almost ceased to exhibit certain articles of naval and military supply, and others of the greatest utility and consumption, owing also to *the same two causes.*

The imports of the United States are now generally brought directly (and not circuitously) from the countries which produced or manufactured them—China, India proper, the isles of Bourbon and Mauritius, Good Hope, the southern settlements of America and the West-Indies, the Wine islands, the countries on the Mediterranean and Baltic Seas, Great-Britain and Ireland, France, the Netherlands and Germany, Spain and Portugal.

Less than half the ships and vessels belonging to the United States, are sufficient to transport all the commodities they consume or import.

Their citizens may be lawfully concerned in any branch of foreign trade, whether carried on from the United States or from any other country.[2]

Their commerce is diversified and prosperous, and consists in importing for their own consumption, and for exportation; in the exporting, the coasting and inland trades; the Indian trade; manufactures, shipping, the fisheries, banking, and insurances on ships, cargoes, and houses. There is no branch of commerce foreign or domestic, in which every district, city, port, and individual, is not equally entitled to be interested.

The lawful interest of money is six per cent. per annum in most of the states: in a few it is seven per cent. in one it is five per cent.

[2] Except the slave trade, March 1794.

The commanders and other officers of the American ships are deemed skilful and judicious; from which cause, combined with the goodness of their ships and of their equipment, insurances upon their vessels are generally made in Europe, upon the most favourable terms, compared with the corresponding risques on board of the vessels of other nations.

The separate American states (with one small exception) have abolished the slave trade, and they have in some instances abolished negro slavery; in others they have adopted efficacious measures for its certain but gradual abolition. The importation of slaves is discontinued, and can never be renewed so as to interrupt the repose of Africa, or endanger the tranquility of the United States. The steady use of efficacious *alteratives* is deemed preferable to the immediate application of more strong remedies in a case of so much momentary and intrinsic importance.

The clothes, books, household furniture, and the tools or implements of their trade or profession, brought by emigrators to America, are exempted from the import duty, and they may begin their commerce, manufactures, trades or agriculture on the day of their arrival upon the same footing as a native citizen.

There is no greater nor other tax upon foreigners or their property in the United States, than upon native citizens.

All foreign jurisdiction in ecclesiastical matters is inconsistent with the laws and constitutions of the United States; and with the settled judgment of the people.

Almost every known christian church exists in the United States; as also the Hebrew church. There has not been a dispute between any two sects or churches since the revolution. There are no tythes. Marriage and burial fees, small glebes, land-rents, pew-rents, monies at interest and voluntary contributions are the principal means of supporting the clergy. Many of them are also professors and teachers in the universities, colleges, academies and schools, for which interesting stations, pious and learned ministers of religion are deemed particularly suitable. There is no provision in the episcopal, presbyterian or independent church for any clerical person, or character above a rector, or minister of the gospel—and this is generally, if not universally the case. There are some assistant ministers, but no curates, or vicars: also several bishops without salaries.

The poor taxes in the United States are very small, owing to the facility, with which every man and woman, and every child, who is old enough to do the lightest work, can procure a comfor-

table subsistence. The industrious poor, if frugal and sober, often place themselves, in a few years, above want.

Horses and cattle, and other useful beasts, imported for breeding, are exempted by law from the import duty.

All the lands in the United States are free from tythes.

The medium annual *land rents* of Europe are greater per acre than the medium *purchase* is in the United States; including in the estimate the value of the old improved farms in America, and the great mass of unimproved lands. . . .

The education of youth has engaged a great share of the attention of the legislatures of the states.

Night schools for young men and boys, who are employed at labour or business in the day time, have been long and beneficially supported, and the idea of Sunday schools has been zealously adopted in some places. Free schools for both sexes have been increased. Greater attention, than heretofore, is paid to female education.

The people of the United States are ingenious in the invention, and prompt, and accurate in the execution of mechanism and workmanship for purposes in science, arts, manufactures, navigation, and agriculture. Rittenhouse's planetarium, Franklin's electrical conductor, Godfrey's quadrant improved by Hadley, Rumsey's and Fitch's steam-engines, Leslie's rod pendulum and other horological inventions, the construction of ships, the New-England whale-boat, the construction of flour-mills, the wire-cutter and bender for card makers, Folsom's and Brigg's machinery for cutting nails out of rolled iron, the Philadelphia dray with an inclined plane, Mason's engine for extinguishing fire, the Connecticut steeple clock, which is wound up by the wind, the Franklin fireplace, the Rittenhouse stove, Anderson's threshing machine, Rittenhouse's instrument for taking levels, Donnaldson's hippopotamus and balance lock, and Wynkoop's underlators, are a few of the numerous examples.

It is probable, that all the jewels and diamonds worn by the citizens of the United States, their wives and daughters are less in value than those which sometimes form a part of the dress of an individual in several countries of Europe. *All capital stock is kept in action.* There are no *descriptions* of men in America and very few individuals, at the active times of life, who live without some pursuit of business, profession, occupation, or trade. *All the citizens are in active habits.*

No country of the same wealth, intelligence and civilization, has so few *menial* servants (strictly speaking) in the families of persons of the greatest property.

Family servants and farming servants, who emigrate from Europe, and who continue soberly and industriously in family or farm service, for one, two or three years, very often find opportunities to better their situations, by getting into some little comfortable line of dealing, or trade, or manufacturing, or farming, according to their education, knowledge and qualifications.

America has not many charms for the dissipated and voluptuous part of mankind, but very many indeed for the rational, sober minded and discreet. It is a country which affords great opportunities of comfort and prosperity to people of good property, and those of moderate property, and to *the industrious and honest poor;* a singular and pleasing proof of which last assertion is, that *there are very few, if any, day labourers, in the city and liberties of Philadelphia, of the Quaker church.* That religious society is very numerous, but the sobriety, industry, and frugality which they practice, enables their poor quickly to improve their condition, in a country so favourable to the poorest members of the community.

That part of the tradesmen and manufacturers, who live in the country, generally reside on small lots and farms, of one acre to twenty, and not a few upon farms of twenty to one hundred and fifty acres, which they cultivate at leisure times, with their own hands, their wives, children, servants and apprentices, and sometimes by hired labourers, or by letting out fields, for a part of the produce, to some neighbour, who has time or farm hands not fully employed. *This union of manufactures and farming* is found to be very convenient on the grain farms, but it is still more convenient on the grazing and grass farms, where parts of almost every day, and a great part of every year, can be spared from the business of the farm, and employed in some mechanical, handy-craft, or manufacturing business. These persons often make domestic and farming carriages, implements and utensils, build houses and barns, tan leather, manufacture hats, shoes, hosiery, cabinet-work, and other articles of clothing and furniture, to the great convenience and advantage of the neighbourhood. In like manner some of the farmers, at leisure times and proper seasons, manufacture nails, pot-ash, pearl-ash, staves and heading, hoops and handspikes, axe-handles, maple-sugar, &c. The most judicious planters in the southern states are industriously instructing their negroes, particularly the young, the old, the infirm, and the females in manufactures—a wise and humane measure.

A large proportion of the most successful manufacturers in the United States are persons, who were journeymen, and in a few instances were foremen in the work-shops and manufactories of Europe, who having been skilfull, sober and frugal, and having thus saved a little money, have set up for themselves with great advantage in America. Few have failed to succeed. There appears to be least opening for those, who have been used to make very fine and costly articles of luxury and shew. There is not so much chance of success for those luxurious branches, *unless they are capable of being carried on in a considerable degree by machinery or water works;* in which case they also will thrive if the necessary capital be employed.—There is already some consumption of these fine goods in America, and as free an exportation of them (without duty, or excise) as from any country in the world.

The views of the government of the United States appear by its declaration, and by the strongest presumptive proofs to be *the maintenance of peace, order, liberty and safety*. Intrigues at foreign courts and secret or open interpositions or intermeddling in the affairs of foreign countries, have not been imputed to the government of this nation. They have not manifested any inordinate ambition, by seeking *conquest*, alone or in unity with any other nation, for they have not attempted to establish or raise a great or unnecessary navy or army.

The United States have been prudently and unremittingly attentive to those objects, which enable a country to pursue, to an happy and profitable issue, unambitious, defensive and necessary wars. Amidst an industrious cultivation of the arts of peace, they have maintained and improved *the military organization of the whole mass of the able bodied citizens*. They have restored their public credit, as an indispensible mean of war, and they have successfully encouraged all those arts, by which the instruments of naval and land armaments may be expeditiously procured and created. Their measure of retribution to their public creditors, foreign and domestic, has been considered, by some intelligent citizens as even more than justice required. From an equal love of justice, and from prudential considerations, they have, by a formal act of the people, sanctioned a treaty recognizing the claims of the subjects of a foreign country against whom an infraction and non execution of the same treaty was alledged. Refraining most scrupulously from intrigues and influence in the affairs of foreign nations it cannot be doubted, that they will be aware of corresponding intrigues and influence in their domestic affairs, and that they will check the appearances of such attempts with displeasure and effect.

THE END OF AN ERA

On March 4, 1801, a tall, loosely-built man with fading red hair walked from his lodgings to a half-finished Capitol and delivered his inaugural address. Jefferson's peaceful and uncontested presence in that place might have seemed to him a vindication of his own belief in men's ability to rule themselves. A presidential campaign of unexampled bitterness had been followed by a hung election: all the Republican electors had cast their ballots for Thomas Jefferson and Aaron Burr and, since the Constitution then made no provision for distinguishing between the candidate for President and the candidate for Vice-President, that equality of votes gave the decision to the House of Representatives voting as states.

The situation afforded ample scope for intrigue. Aaron Burr, who had broadcast the attack on John Adams in which Hamilton demonstrated his unfitness for party management, saw himself the President. But Hamilton, who had devised a scheme for diverting the electoral vote of New York to the Federalists —a scheme which Federalist John Jay pigeonholed with the somewhat smug description of "unworthy"—could not tolerate the choice of Aaron Burr; he threw his support to Jefferson, who was named President by the House.

Thus, on March 4, 1801, Thomas Jefferson stood up to state his philosophy of government. An essay in self-limited power and peaceable coercion of foreign enemies was about to be begun. Yet the eight years of Jefferson's administration are remembered for a wide extension of federal power—the Louisiana Purchase—and for Congressional refusal to continue the embargo as a means of national defense.

The selection is from the *Works* (1907).

The First Inaugural

BY THOMAS JEFFERSON

FRIENDS AND FELLOW CITIZENS:—

CALLED UPON to undertake the duties of the first executive office of our country, I avail myself of the presence of that portion of my fellow citizens which is here assembled, to express my grateful thanks for the favor with which they have been pleased to look toward me, to declare a sincere consciousness that the task is above my talents, and that I approach it with those anxious and awful presentiments which the greatness of the charge and the weakness of my powers so justly inspire. A rising nation, spread over a wide and fruitful land, traversing all the seas with the rich productions of their industry, engaged in commerce with nations who feel power and forget right, advancing rapidly to destinies beyond the reach of mortal eye—when I contemplate these transcendent objects, and see the honor, the happiness, and the hopes of this beloved country committed to the issue and the auspices of this day, I shrink from the contemplation, and humble myself before the magnitude of the undertaking. Utterly indeed, should I despair, did not the presence of many whom I here see remind me, that in the other high authorities provided by our constitution, I shall find resources of wisdom, of virtue, and of zeal, on which to rely under all difficulties. To you, then, gentlemen, who are charged with the sovereign functions of legislation, and to those associated with you, I look with encouragement for that guidance and support which may enable us to steer with safety the vessel in which we are all embarked amid the conflicting elements of a troubled world.

During the contest of opinion through which we have passed, the animation of discussion and of exertions has sometimes worn an aspect which might impose on strangers unused to think freely and to speak and to write what they think; but this being now decided by the voice of the nation, announced according to the rules of the constitution, all will, of course, arrange themselves under the will of the law, and unite in common efforts for the common good. All, too, will bear in mind this sacred principle, that though the will of the majority is in all cases to prevail, that will, to be rightful, must be reasonable; that the minority possess their equal rights, which equal laws must protect, and to violate which would be oppression. Let us, then, fellow citizens, unite with one heart and one mind. Let us restore to social intercourse that harmony and affection without which liberty and even life itself are but dreary things. And let us reflect that having banished from our land that religious intolerance under which mankind so long bled and suffered, we have yet gained little if we countenance a political intolerance as despotic, as wicked, and capable of as bitter and bloody persecutions. During the throes and convulsions of the ancient world, during the agonizing spasms of infuriated man, seeking through blood and slaughter his long-lost liberty, it was not wonderful that the agitation of the billows should reach even this distant and peaceful shore; that this should be more felt and feared by some and less by others; that this should divide opinions as to measures of safety. But every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all republicans—we are federalists. If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it. I know, indeed, that some honest men fear that a republican government cannot be strong; that this government is not strong enough. But would the honest patriot, in the full tide of successful experiment, abandon a government which has so far kept us free and firm, on the theoretic and visionary fear that this government, the world's best hope, may by possibility want energy to preserve itself? I trust not. I believe this, on the contrary, the strongest government on earth. I believe it is the only one where every man, at the call of the laws, would fly to the standard of the law, and would meet invasions of the public order as his own personal concern. Sometimes it is said that man cannot be trusted with the government of himself. Can he, then, be trusted with the government of others? Or have we found angels in the forms of kings to govern him? Let history answer this question.

Let us, then, with courage and confidence pursue our own federal and republican principles, our attachment to our union and representative government. Kindly separated by nature and a wide ocean from the exterminating havoc of one quarter of the globe; too high-minded to endure the degradations of the others; possessing a chosen

country, with room enough for our descendants to the hundredth and thousandth generation; entertaining a due sense of our equal right to the use of our own faculties, to the acquisitions of our industry, to honor and confidence from our fellow citizens, resulting not from birth but from our actions and their sense of them; enlightened by a benign religion, professed, indeed, and practiced in various forms, yet all of them including honesty, truth, temperance, gratitude, and the love of man; acknowledging and adoring an overruling Providence, which by all its dispensations proves that it delights in the happiness of man here and his greater happiness hereafter; with all these blessings, what more is necessary to make us a happy and prosperous people? Still one thing more, fellow citizens—a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities.

About to enter, fellow citizens, on the exercise of duties which comprehend everything dear and valuable to you, it is proper that you should understand what I deem the essential principles of our government, and consequently those which ought to shape its administration. I will compress them within the narrowest compass they will bear, stating the general principle, but not all its limitations. Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship, with all nations—entangling alliances with none; the support of the state governments in all their rights, as the most competent administrations for our domestic concerns and the surest bulwarks against anti-republican tendencies; the preservation of the general government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad; a jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped by the sword of the revolution where peaceable remedies are unprovided; absolute acquiescence in the decisions of the majority—the vital principle of republics, from which there is no appeal but to force the vital principle and immediate parent of despotism; a well-disciplined militia—our best reliance in peace and for the first moments of war, till regulars may relieve them; the supremacy of the civil over the military authority; economy in the public expense, that labor may be lightly burdened; the honest payment of our debts and sacred preservation of the public faith; encouragement of agriculture, and of commerce as its handmaid; the diffusion of information and the arraignment of all abuses at the bar of public reason; freedom of religion; freedom of the press; freedom of person under the protection of the *habeas corpus;* and trial by juries impartially selected—these principles form the bright constellation which has gone before us, and guided our steps through an age of revolution and reformation. The wisdom of our sages and the blood of our heroes have been devoted to their attainment. They should be the creed of our political faith—the text of civil instruction—the touchstone by which to try the services of those we trust; and should we wander from them in moments of error or alarm, let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty, and safety.

I repair, then, fellow citizens, to the post you have assigned me. With experience enough in subordinate offices to have seen the difficulties of this, the greatest of all, I have learned to expect that it will rarely fall to the lot of imperfect man to retire from this station with the reputation and the favor which bring him into it. Without pretensions to that high confidence reposed in our first and great revolutionary character, whose preëminent services had entitled him to the first place in his country's love, and destined for him the fairest page in the volume of faithful history, I ask so much confidence only as may give firmness and effect to the legal administration of your affairs. I shall often go wrong through defect of judgment. When right, I shall often be thought wrong by those whose positions will not command a view of the whole ground. I ask your indulgence for my own errors, which will never be intentional; and your support against the errors of others, who may condemn what they would not if seen in all its parts. The approbation implied by your suffrage is a consolation to me for the past; and my future solicitude will be to retain the good opinion of those who have bestowed it in advance, to conciliate that of others by doing them all the good in my power, and to be instrumental to the happiness and freedom of all.

Relying, then, on the patronage of your good will, I advance with obedience to the work, ready to retire from it whenever you become sensible how much better choice it is in your power to make. And may that Infinite Power which rules the destinies of the universe, lead our councils to what is best, and give them a favorable issue for your peace and prosperity.

THE UNITED STATES AND THE WORLD

THE LOUISIANA PURCHASE

By the Peace of Paris of 1763, a defeated France yielded Canada to England and the province of Louisiana to Spain. Except for St. Pierre and Miquelon and the French Antilles in the Caribbean, France had lost her empire in North America. Considered as a war of revenge to redress that loss, the alliance with England's revolted colonies in the next decades brought France slight profit, for her naval forces were defeated in the West Indies and France made no gains on the mainland: Canada was English and Louisiana remained under Spanish rule.

For all the wide ranging of *voyageur* and fur trader, to western men Louisiana was still a broad wilderness. By raft and flatboat and broadhorn, the grain and pelts, the pork and whisky of Ohio and Kentucky and Tennessee passed down the Mississippi and out into the stream of trade. Whoever held New Orleans and the mouth of the river could choke the economic life of the West. Without the right of deposit—the permission to warehouse goods free of burdensome Spanish duties and to ship them from New Orleans—the American West could not share in world trade at the beginning of the nineteenth century. Lumber and furs and grain and provisions could not bear the cost of carriage to an Atlantic port; the men of the Western Waters were sentenced to vegetate in a subsistence economy unless they were assured unhindered access to the Gulf.

During the Revolution, Spanish officials had connived at the use of their port, though that was against their government's settled colonial policy. American commerce continued to use New Orleans on the precarious basis of "Latin realism" until 1795, when Prime Minister Godoy negotiated a formal treaty with the United States. This granted Americans the right of deposit at New Orleans for three years. If, after that period, the King of Spain found the privilege harmless to his interests, he might extend it, or, at worst, create a similar *entrepôt* at another point on the lower Mississippi.

Not long after the treaty of 1795, the French sought to regain their North American possessions. Napoleon's ambassador bullied the Spanish court into accepting the secret treaty of San Ildefonso: in return for French agreement to add a million inhabitants to the Duchy of Parma—where a Spanish prince reigned—the Mississippi Valley was to be returned to France, transfer to be consummated on evidence that France had kept her part of the bargain. Napoleon presumably carried out his pledge; but the Spaniards temporized.

Peace between England and France, however, encouraged Napoleon to proceed with his plans for a French colonial empire. He needed a base in the West Indies first. Haiti, the most valuable of French possessions, would serve admirably, but for the fact that it was in possession of Toussaint L'Ouverture, the Negro general who was military chief of the island by reason of his own ability, the French Convention's appointment, and the connivance of both Britain and the United States.

If Napoleon meant to take possession of Louisiana, he must eliminate Toussaint. And in that task he was aided by the restoration of diplomatic relations between France and the United States in 1801. American frigates could

not cruise to protect a rebel against a France with which the United States was at peace; nor could furthering the triumph of a Negro insurrectionist be agreeable to Americans who themselves held slaves. Napoleon prepared to end "the black government at Santo Domingo" and to restore slavery in the French Antilles. Early in 1802, French forces landed and war began. The treachery of Toussaint's generals and his own naïveté combined to end his career: he surrendered and was imprisoned in France. With Toussaint a defeated captive, Napoleon ordered a gradual and cautious restoration of slavery while he made ready to exact the delivery of Louisiana from a reluctant Spain. In the meantime, the general in command of the French army which had captured Toussaint discovered that most of the supplies on the island were American property. These were confiscated over the protests of the American Minister at Paris.

In the spring of 1802, the retrocession of Louisiana became generally known in America, though it had been the subject of anxious reports in the dispatches Secretary of State Madison was receiving from Rufus King in London and Robert R. Livingston at Paris. Jefferson's letter to Livingston shows how he regarded the situation. The United States could not stand alone in this crisis. Beneath his plans for shifts of diplomacy, one may read Jefferson's fears for the safety of democracy in America. Through his friend Dupont de Nemours, Jefferson attempted to convince the First Consul of the danger in which the occupation of Louisiana would put France. For the power which held New Orleans was the natural enemy of the United States. French occupation of the province would drive the United States into an alliance with England and set the two chief maritime powers squarely across Napoleon's path. Dupont's reply indicated that Napoleon was not likely to be convinced by that argument.

Meanwhile, a new French army was failing in its attempt to pacify Santo Domingo. And, in December, 1802, the Spanish Intendant withdrew the right of deposit. The West was now thoroughly alarmed and a war sentiment appeared in Congress; this Jefferson was able to halt by the appointment of Monroe as special envoy to negotiate with France.

Both the political background and the purpose of the negotiations appear clearly in Jefferson's letter urging Monroe to accept the mission and in the instructions which the special envoy carried to France. New Orleans and the Floridas were the objects of the administration's attention; if those could not be secured, then the United States might be satisfied with the cession of a site on the banks of the Mississippi. Free navigation and the right of deposit were Jefferson's concern; a war for national interest was no part of his policy, however convenient such intimations might be in diplomatic correspondence.

Before Monroe reached France, a French prefect had been dispatched with instructions to guide French policy in the administration of the restored province. Guardedly, those instructions advised the captain-general of Louisiana to intrigue with the Kentuckians, ally himself with the Indian tribes, and, while expressing "sentiments of great benevolence," prepare for eventual hostilities with the United States. But by now Santo Domingo had proved to be a complete failure and Napoleon once more was directing his eyes eastward. War with England again was imminent.

Livingston had reported this new turn of events to Washington in March, 1803. On April 11, Talleyrand, stressing the "unofficial" nature of his remarks, asked the American Minister whether the United States wanted all of Louisiana, and what, in that case, they would give for it? To that disconcerting query, Livingston replied that his country had not considered such an acquisition, but that the United States would probably be willing to pay 20 million francs, if American claims for French depredations on her commerce were met. In any case, he must wait to consult with Envoy Extraordinary James Monroe who had not yet arrived in Paris. But this did not prevent Liv-

ingston from opening discussions with the French Treasury, which put the purchase price at 60 million francs.

On March 12, Monroe joined Livingston and the bargaining continued. By the end of April, Napoleon, convinced that war was inevitable and badly in need of funds, ordered the speeding up of the negotiations. In the first week of May, the treaty for the Louisiana purchase was signed. For 15 million dollars, the United States bought the province of Louisiana "with the same extent that is now in the hands of Spain, and that it had when France possessed it. . . ."

News of the treaty reached Jefferson in June. On July 4, 1803, the Purchase of Louisiana was proclaimed officially. Spain protested French violation of a promise not to alienate Louisiana after the retrocession. In America, Federalists raged at the expenditure and at Jefferson's unconstitutional exercise of power in making the purchase and in agreeing to give the inhabitants of Louisiana the rights of Americans and eventual statehood. Jefferson's message to Congress takes little account of these attacks. Henceforth, the produce of the Western Waters would float down an American river to the Gulf. The man who had drafted the document which proclaimed "these united colonies free and independent states" had initiated negotiations which doubled the area of those states at a moderate cost in money and without the expenditure of a single life.

Jefferson's letters and message to Congress are reprinted from Volume VIII of the *Writings of Thomas Jefferson*, ed. Paul Leicester Ford (New York, 1897). Madison's instructions are reprinted from House Document No. 431, *The Purchase of the Territory of Louisiana*, 57th Congress, 2d Session (Washington, 1903).

Correspondence of Thomas Jefferson

JEFFERSON TO LIVINGSTON

Washington, April 18, 1802

. . . THE SESSION of Louisiana and the Floridas by Spain to France works most sorely on the U.S. On this subject the Secretary of State has written to you fully. Yet I cannot forbear recurring to it personally, so deep is the impression it makes in my mind. It compleatly reverses all the political relations of the U.S. and will form a new epoch in our political course. Of all nations of any consideration France is the one which hitherto has offered the fewest points on which we could have any conflict of right, and the most points of a communion of interests. From these causes we have ever looked to her as our *natural friend*, as one with which we never could have an occasion of difference. Her growth therefore we viewed as our own, her misfortunes ours. There is on the globe one single spot, the possessor of which is our natural and habitual enemy. It is New Orleans, through which the produce of three-eighths of our territory must pass to market, and from its fertility it will ere long yield more than half of our whole produce and contain more than half our inhabitants. France placing herself in that door assumes to us the attitude of defiance. Spain might have retained it quietly for years. Her pacific dispositions, her feeble state, would induce her to increase our facilities there, so that her possession of the place would be hardly felt by us, and it would not perhaps be very long before some circumstance might arise which might make the cession of it to us the price of something of more worth to her. Not so can it ever be in the hands of France. The impetuosity of her temper, the energy and restlessness of her character, placed in a point of eternal friction with us, . . . render it impossible that France and the U.S. can continue long friends when they meet in so irritable a position. They as well as we must be blind if they do not see this; and we must be very improvident if we do not begin to make arrangements on that hypothesis. The day that France takes possession of N. Orleans fixes the sentence which is to restrain her forever within her low water mark. It seals the union of two nations who in conjunction can maintain exclusive possession of the ocean. From that moment we must marry ourselves to the British fleet and nation. We must turn all our attentions to a maritime force, for which our resources place us on very high grounds: and having formed and cemented together a power which may render reinforcement of her settlements here impossible

to France, make the first cannon, which shall be fired in Europe the signal for tearing up any settlement she may have made, and for holding the two continents of America in sequestration for the common purposes of the united British and American nations. This is not a state of things we seek or desire. It is one which this measure, if adopted by France, forces on us, as necessarily as any other cause, by the laws of nature, brings on its necessary effect. It is not from a fear of France that we deprecate this measure proposed by her. . . . But it is from a sincere love of peace, and a firm persuasion that bound to France by the interests and the strong sympathies still existing in the minds of our citizens, and holding relative positions which ensure their continuance we are secure of a long course of peace. Whereas the change of friends, which will be rendered necessary if France changes that position, embarks us necessarily as a belligerent power in the first war of Europe. . . .

If France considers Louisiana however as indispensable for her views she might perhaps be willing to look about for arrangements which might reconcile it to our interests. If anything could do this it would be the ceding to us the island of New Orleans and the Floridas. This would certainly in a great degree remove the causes of jarring and irritation between us, and perhaps for such a length of time as might produce other means of making the measure permanently conciliatory to our interests and friendships. It would at any rate relieve us from the necessity of taking immediate measures for countervailing such an operation by arrangements in another quarter. Still we should consider N. Orleans and the Floridas as equivalent for the risk of a quarrel with France produced by her vicinage. I have no doubt you have urged these considerations on every proper occasion with the government where you are. They are such as must have effect if you can find the means of producing thorough reflection on them by that government. The idea here is that the troops sent to St. Domingo, were to proceed to Louisiana after finishing their work in that island. If this were the arrangement, it will give you time to return again and again to the charge, for the conquest of St. Domingo will not be a short work. It will take considerable time to wear down a great number of souldiers. Every eye in the U.S. is now fixed on this affair of Louisiana. Perhaps nothing since the revolutionary war has produced more uneasy sensations through the body of the nation. Notwithstanding temporary bickerings have taken place with France, she has still a strong hold on the affections of our citizens generally. I have thought it not amiss, by way of supplement to the letters of the Secretary of State to write you this private one to impress you with the importance we affix to this transaction. I pray you to cherish Dupont. He has the best dispositions for the continuance of friendship between the two nations, and perhaps you may be able to make a good use of him. Accept assurances of my affectionate esteem and high consideration.

JEFFERSON TO MONROE

Washington, Jan. 13, 1803.

DEAR SIR,—I dropped you a line on the 10th informing you of a nomination I had made of you to the Senate, and yesterday I enclosed you their approbation not then having time to write. The agitation of the public mind on occasion of the late suspension of our right of deposit at N. Orleans is extreme. In the western country it is natural and grounded on honest motives. In the seaports it proceeds from a desire for war which increases the mercantile lottery; in the federalists generally and especially those of Congress the object is to force us into war if possible, in order to derange our finances, or if this cannot be done, to attach the western country to them, as their best friends, and thus get again into power. Remonstrances memorials &c. are now circulating through the whole of the western country and signing by the body of the people. The measures we have been pursuing being invisible, do not satisfy their minds. Something sensible therefore was become necessary; and indeed our object of purchasing N. Orleans and the Floridas is a measure liable to assume so many shapes, that no instructions could be squared to fit them, it was essential then to send a minister extraordinary to be joined with the ordinary one, with discretionary powers, first however well impressed with all our views and therefore qualified to meet and modify to these every form of proposition which could come from the other party. This could be done only in full and frequent oral communications. Having determined on this, there could not be two opinions among the republicans as to the person. You possess the unlimited confidence of the administration and of the western people; and generally of the republicans everywhere; and were you to refuse to go, no other man can be found who does this. The measure has already silenced the Feds. here. Congress will no longer be agitated by them: and the country will become calm as fast as the information extends over it. All eyes, all hopes, are now fixed on you; and were you to decline, the chagrin would be universal, and would shake under your feet the high ground on which you stand with the public. Indeed I know nothing which

would produce such a shock, for on the event of this mission depends the future destinies of this republic. If we cannot by a purchase of the country insure to ourselves a course of perpetual peace and friendship with all nations, then as war cannot be distant, it behooves us immediately to be preparing for that course, without, however, hastening it, and it may be necessary (on your failure on the continent) to cross the channel.

We shall get entangled in European politics, and figuring more, be much less happy and prosperous. This can only be prevented by a successful issue to your present mission. I am sensible after the measures you have taken for getting into a different line of business, that it will be a great sacrifice on your part, and presents from the season and other circumstances serious difficulties. But some men are born for the public. Nature by fitting them for the service of the human race on a broad scale, has stamped with the evidences of her destination and their duty. . . .

As to the time of your going you cannot too much hasten it, as the moment in France is critical. St. Domingo delays their taking possession of Louisiana, and they are in the last distress for money for current purposes. You should arrange your affairs for an absence of a year at least, perhaps for a long one. It will be necessary for you to stay here some days on your way to New York. You will receive here what advance you chuse. Accept assurances of my constant and affectionate attachment.

JEFFERSON TO LIVINGSTON

Washington, Feb. 3, 1803

DEAR SIR,—My last to you was by Mr. Dupont. Since that I received yours of May 22. Mr. Madison supposes you have written a subsequent one which has never come to hand. A late suspension by the Intendant of N Orleans of our right of deposit there, without which the right of navigation is impracticable, has thrown this country into such a flame of hostile disposition as can scarcely be described. The western country was peculiarly sensible to it as you may suppose. Our business was to take the most effectual pacific measures in our power to remove the suspension, and at the some time to persuade our countrymen that pacific measures would be the most effectual and the most speedily so. The opposition caught it as a plank in a shipwreck, hoping it would enable them to tack the Western people to them. They raised the cry of war, were intriguing in all the quarters to exasperate the Western inhabitants to arm & go down on their own authority & possess themselves of New Orleans, and in the meantime were daily reiterating, in new shapes, inflammatory resolutions for the adoption of the House. As a remedy to all this we determined to name a minister extraordinary to go immediately to Paris & Madrid to settle this matter. This measure being a visible one, and the person named peculiarly proper with the Western country, crushed at once & put an end to all further attempts on the Legislature. From that moment all has become quiet; and the more readily in the Western country, as the sudden alliance of these new federal friends had of itself already began to make them suspect the wisdom of their own course. The measure was moreover proposed from another cause. We must know at once whether we can acquire N Orleans or not. We are satisfied nothing else will secure us against a war at no distant period; and we cannot press this reason without beginning those arrangements which will be necessary if war is hereafter to result. For this purpose it was necessary that the negotiators should be fully possessed of every idea we have on the subject, so as to meet the propositions of the opposite party, in whatever form they may be offered; and give them a shape admissible by us without being obliged to await new instructions hence. With this view, we have joined Mr. Monroe to yourself at Paris, & to Mr. Pinkney at Madrid, altho' we believe it will be hardly necessary for him to go to this last place. Should we fail in this object of the mission, a further one will be superadded for the other side of the channel. On this subject you will be informed by the Secretary of State, & Mr. Monroe will be able also to inform you of all our views and purposes. By him I send another letter to Dupont, whose aid may be of the greatest service, as it will be divested of the shackles of form. The letter is left open for your perusal, after which I wish a wafer stuck on it before it be delivered. . . .

Correspondence of James Madison

MADISON TO LIVINGSTON AND MONROE

Department of State, March 2, 1803

GENTLEMEN: You will herewith receive a commission and letters of credence, one of you as Minister Plenipotentiary, the other as Minister Extraordinary and Plenipotentiary, to treat with the Government of the French Republic on the subject of the Mississippi, and the territories eastward thereof, and without the limits of the United

States. The object in view is to procure, by just and satisfactory arrangements, a cession to the United States of New Orleans, and of West and East Florida, or as much thereof as the actual proprietor can be prevailed on to part with.

The French Republic is understood to have become the proprietor, by a cession from Spain, in the year ——, of New Orleans, as part of Louisiana, if not of the Floridas also. If the Floridas should not have been then included in the cession, it is not improbable that they will have been since added to it.

It is foreseen that you may have considerable difficulty in overcoming the repugnance and the prejudices of the French Government against a transfer to the United States of so important a part of the acquisition. The apparent solicitude and exertions, amidst many embarrassing circumstances, to carry into effect the cession made to the French Republic; the reserve so long used on this subject by the French Government, in its communications with the Minister of the United States at Paris, and the declaration finally made by the French Minister of Foreign Relations, that it was meant to take possession before any overtures from the United States would be discussed, show the importance which is attached to the territories in question. On the other hand, as the United States have the strongest motives of interest, and of a pacific policy, to seek by just means the establishment of the Mississippi, down to its mouth, as their boundary, so there are considerations which urge on France a concurrence in so natural and so convenient an arrangement.

Notwithstanding the circumstances which have been thought to indicate, in the French Government, designs of unjust encroachment, and even direct hostility, on the United States, it is scarcely possible to reconcile a policy of that sort with any motives which can be presumed to sway either the Government or the nation. To say nothing of the assurances given both by the French Minister at Paris, and by the Spanish Minister at Madrid, that the cession by Spain to France was understood to carry with it all the conditions stipulated by the former to the United States, the manifest tendency of hostile measures against the United States to connect their councils and their colossal growth with the great and formidable rival of France, can neither escape her discernment, nor be disregarded by her prudence, and might alone be expected to produce very different views in the Government.

On the supposition that the French Government does not mean to force or to court war with the United States, but, on the contrary, that it sees the interest which France has in cultivating their neutrality and amity, the dangers to so desirable a relation between the two countries which lurk under a neighborhood modified as is that of Spain at present, must have great weight in recommending the change which you will have to propose. . . .

The time chosen for the experiment is pointed out also by other important considerations. The instability of the peace of Europe, the attitude taken by Great Britain, the languishing state of the French finances, and the absolute necessity of either abandoning the West India islands, or of sending thither large armaments at great expense, all contribute at the present crisis to prepare in the French Government a disposition to listen to an arrangement which will at once dry up one source of foreign controversy, and furnish some aid in struggling with internal embarrassments. It is to be added, that the overtures committed to you coincide in great measure with the ideas of the person through whom the letter of the President of April 30, 1802, was conveyed to Mr. Livingston, and who is presumed to have gained some insight into the present sentiments of the French Cabinet.

Among the considerations which have led the French Government into the project of regaining from Spain the province of Louisiana, and which you may find it necessary to meet in your discussions, the following suggest themselves as highly probable:

First. A jealousy of the Atlantic States, as leaning to a coalition with Great Britain not consistent with neutrality and amity toward France, and a belief that, by holding the key to the commerce of the Mississippi, she will be able to command the interests and attachments of the western portion of the United States, and thereby either control the Atlantic portion also, or, if that can not be done, to seduce the former into a separate Government and a close alliance with herself.

In each of these particulars the calculation is founded in error.

It is not true that the Atlantic States lean toward any connexion with Great Britain inconsistent with their amicable relations to France. Their dispositions and their interests equally prescribe to them amity and impartiality to both of those nations. If a departure from this simple and salutary line of policy should take place, the causes of it will be found in the unjust or unfriendly conduct experienced from one or other of them. In general, it may be remarked, that there are many points on which the interests and views of the United States and of Great Britain may not be thought to

coincide, as can be discovered in relation to France. If less harmony and confidence should, therefore, prevail between France and the United States than may be maintained between Great Britain and the United States, the difference will lie, not in the want of motives, drawn from the mutual advantage of the two nations, but in the want of favorable dispositions in the Government of one or other of them. That the blame, in this respect, will not justly fall on the Government of the United States, is sufficiently demonstrated by the mission, and the objects with which you are now charged.

The French Government is not less mistaken, if it supposes that the Western part of the United States can be withdrawn from their present union with the Atlantic part into a separate Government, closely allied with France.

Our Western fellow-citizens are bound to the Union, not only by the ties of kindred and affection, which for a long time will derive strength from the stream of emigration peopling that region, but by two considerations which flow from clear and essential interests.

One of these considerations is, the passage through the Atlantic ports of the foreign merchandise consumed by the Western inhabitants, and the payment thence made to a treasury, in which they would lose their participation by erecting a separate Government. The bulky productions of the Western country may continue to pass down the Mississippi; but the difficulties of the ascending navigation of that river, however free it may be made, will cause the imports for consumption to pass through the Atlantic States. This is the course through which they are now received; nor will the impost to which they will be subject change the course, even if the passage up the Mississippi should be duty free. It will not equal the difference in the freight through the latter channels. It is true that mechanical and other improvements in the navigation of the Mississippi may lessen the labor and expense of ascending the stream; but it is not the least probable, that savings of this sort will keep pace with the improvements in canals and roads, by which the present course of impost will be favored. Let it be added, that the loss of the contributions thus made to a foreign treasury would be accompanied with the necessity of providing, by less convenient revenues, for the expense of a separate Government, and of the defensive precautions required by the change of situation. . . .

It will be the more impossible for France to draw the Western country under her influence, by conciliatory regulations of the trade through the Mississippi; because regulations which would be regarded by her as liberal, and claiming returns of gratitude, would be viewed on the other side as falling short of justice. If this should not be at first the case, it soon would be so. The Western people believe, as do their Atlantic brethren, that they have a natural and indefeasible right to trade freely through the Mississippi. They are conscious of their power to enforce this right against any nation whatever. With these ideas in their minds, it is evident that France will not be able to excite either a sense of favor, or of fear, that would establish an ascendency over them. . . .

Secondly. The advancement of the commerce of France, by an establishment on the Mississippi, has, doubtless, great weight with the Government in espousing this project.

The commerce through the Mississippi will consist, first, of that of the United States; second, of that of the adjacent territories to be acquired by France.

The first is now, and must for ages continue, the principal commerce. As far as the faculties of France will enable her to share in it, the article to be proposed to her, on the part of the United States, on that subject, promises every advantage she can desire. . . .

The other portion of commerce, with the exception of the island of New Orleans, and the contiguous ports of West Florida, depends on the territory westward of the Mississippi. With respect to this portion, it will be little affected by the cession desired by the United States. . . .

There remain to be considered the commerce of the ports in the Floridas. With respect to this branch the advantages which will be secured to France by the proposed arrangement ought to be satisfactory. She will here also derive a greater share from the increase which will be given, by a more rapid settlement of a fertile territory, to the exports and imports through those ports, than she would obtain from any restrictive use she could make of those ports as her own property. . . .

With a view to permanent harmony between the two nations, a cession of the Floridas is particularly to be desired, as obviating serious controversies that might otherwise grow even out of the regulations, however liberal in the opinion of France, which she may establish at the mouths of those rivers. . . .

Third. A further object with France may be, to form a colonial establishment having a convenient relation to her West India islands, and forming an independent source of supplies for them.

This object ought to weigh but little against

the cession we wish to obtain, for two reasons: first, because the country which the cession will leave in her hands on the right side of the Mississippi is capable of employing more than all the faculties she can spare for such an object, and of yielding all the supplies which she could expect or wish from such an establishment: second, because in times of general peace she will be sure of receiving whatever supplies her islands may want, from the United States, and even through the Mississippi, if more convenient to her; because in time of peace with the United States, though of war with Great Britain, the same sources will be open to her, whilst her own would be interrupted; and because in case of a war with the United States, which is not likely to happen without a concurrent war with Great Britain, (the only case in which she could need a distinct fund of supplies,) the entire command of the sea, and of the trade through the Mississippi, would be against her, and would cut off the source in question. She would consequently never need the aid of her new colony, but when she could make little or no use of it.

There may be other objects with France in the projected acquisition; but they are probably such as would be either satisfied by a reservation to herself of the country on the right side of the Mississippi, or are of too subordinate a character to prevail against the plan of adjustment we have in view, in case other difficulties in the way of it can be overcome. The principles and outlines of this plan are as follows, viz:

ARTICLE 1. France cedes to the United States forever the territory east of the river Mississippi, comprehending the two Floridas, the island of New Orleans, and the islands lying to the north and east of that channel of the said river, which is commonly called the South Pass, together with all such other islands as appertain to either West or East Florida; France reserving to herself all her territory on the west side of the Mississippi.

ART. 2. The boundary between the territory ceded and reserved by France, shall be a continuation of that already defined above the thirty-first degree of north latitude, viz: the middle of the channel or bed of the river through the said South Pass to the sea. The navigation of the river Mississippi in its whole breadth from its source to the ocean, and in all its passages to and from the same shall be equally free and common of the United States and of the French Republic.

ART. 3. The vessels and citizens of the French Republic may exercise commerce to and at such places on their respective shores below the said thirty-first degree of north latitude as may be allowed for that use by the parties to their respective citizens and vessels. And it is agreed that no other nation shall be allowed to exercise commerce to or at the same or any other place on either shore, below the said thirty-first degree of latitude. For the term of ten years, to be computed from the exchange of ratifications hereof, the citizens, vessels, and merchandises of the United States, and of France, shall be subject to no other duties on their respective shores, below the said thirty-first degree of latitude, than are imposed on their own citizens, vessels, and merchandises. No duty whatever shall, after the expiration of ten years, be laid on articles the growth or manufacture of the United States, or of the ceded territory, exported through the Mississippi in French vessels; so long as such articles so exported in vessels of the United States shall be exempt from duty: nor shall French vessels exporting such articles ever afterwards be subject to pay a higher duty than vessels of the United States.

ART. 4. The citizens of France may, for the term of ten years, deposit their effects at New Orleans, and at such other places on the ceded shore of the Mississippi, as are allowed for the commerce of the United States, without paying any other duty than a fair price for the hire of stores.

ART. 5. In ports of commerce of West and East Florida, France shall never be on a worse footing than the most favored nation; and for the term of ten years her vessels and merchandise shall be subject therein to no higher duties than are paid by those of the United States. Articles of the growth or manufacture of the United States, and of the ceded territory, exported in French vessels from any port in West or East Florida, shall be exempt from duty as long as vessels of the United States shall enjoy this exemption.

ART. 6. The United States, in consideration of the cession of territory made by this treaty, shall pay to France —— millions of livres tournois, in the manner following, viz: They shall pay —— millions of livres tournois immediately on the exchange of the ratifications hereof; they shall assume, in such order of priority as the Government of the United States may approve, the payment of claims which have been or may be acknowledged by the French Republic to be due to American citizens, or so much thereof as, with the payment to be made on the exchange of ratifications, will not exceed the sum of ——; and in case a balance should remain due after such payment and assumption, the same shall be paid at the end of one year from the final liquidation of the claim

hereby assumed, which shall be payable in three equal annual payments, the first of which is to take place one year after the exchange of ratifications, or they shall bear interest, at the rate of 6 per cent. per annum, from the dates of such intended payments, until they shall be discharged. All the above-mentioned payments shall be made at the Treasury of the United States, and at the rate of one dollar and ten cents for every six livres tournois.

ART. 7. To incorporate the inhabitants of the hereby ceded territory with the citizens of the United States on an equal footing, being a provision which can not now be made, it is to be expected, from the character and policy of the United States, that such incorporation will take place without unnecessary delay. In the meantime they shall be secure in their persons and property, and in the free enjoyment of their religion. . . .

The instructions, thus far given, suppose that France may be willing to cede to the United States the whole of the island of New Orleans, and both the Floridas. As she may be inclined to dispose of a part or parts, and of such only, it is proper for you to know that the Floridas, together, are estimated at one-fourth the value of the whole island of New Orleans, and East Florida at one-half that of West Florida. In case of a partial cession, it is expected that the regulations of every other kind, so far as they are onerous to the United States, will be more favorably modified.

Should France refuse to cede the whole of the island, as large a portion as she can be prevailed on to part with may be accepted; should no considerable portion of it be attainable, it will still be of vast importance to get a jurisdiction over space enough for a large commercial town, and its appurtenances, on the back of the river, and as little remote from the mouth of the river as may be. A right to choose the place would be better than a designation of it in the treaty. Should it be impossible to procure a complete jurisdiction over any convenient spot whatever, it will only remain to explain and improve the present right of deposit, by adding thereto the express privilege of holding real estate for commercial purposes, of providing hospitals, of having consuls residing there, and other agents who may be authorized to authenticate and deliver all documents requisite for vessels belonging to, and engaged in, the trade of the United States, to and from the place of deposit. The United States can not remain satisfied, nor the Western people be kept patient, under the restrictions which the existing treaty with Spain authorizes.

Should a cession of the Floridas not be attainable, your attention will also be due to the establishment of suitable deposits at the mouth of the rivers passing from the United States through the Floridas, as well as of the free navigation of those rivers by citizens of the United States. . . .

It only remains to suggest, that, considering the possibility of some intermediate violences between citizens of the United States and the French or Spaniards, in consequence of the interruption of our right of deposit, and the probability that considerable damages will have been occasioned by that measure to citizens of the United States, it will be proper that indemnification in the latter case be provided for, and that in the former it shall not be taken on either side as a ground or pretext for hostilities.

These instructions, though as full as they could be conveniently made, will necessarily leave much to your discretion. For the proper exercise of it, the President relies on your information, your judgment, and your fidelity to the interests of your country.

James Madison

Message to Congress, 1803

BY THOMAS JEFFERSON

IN CALLING YOU TOGETHER, fellow citizens, at an earlier day than was contemplated by the act of the last session of Congress, I have not been insensible to the personal inconvenience necessarily resulting from an unexpected change in your arrangements. But matters of great public concern have rendered this call necessary, and the interest you feel in these will supersede in our minds all private considerations.

Congress witnessed, at their last session, the extraordinary agitation produced in the public mind by the suspension of our right of deposit at the port of New-Orleans, no assignment of another place having been made according to treaty. They were sensible that the continuance of that privation would be more injurious to our nation than any consequences which could flow from any mode of redress, but reposing just confidence in the good faith of the government whose officer had committed the wrong, friendly and reason-

able representations were resorted to, and the right of deposit was restored.

Previous, however, to this period, we had not been unaware of the danger to which our peace would be perpetually exposed while so important a key to the commerce of the western country remained under foreign power. Difficulties, too, were presenting themselves as to the navigation of other streams, which, arising within our territories, pass through those adjacent. Propositions had, therefore, been authorized for obtaining, on fair conditions, the sovereignty of New Orleans, and of other possessions in that quarter interesting to our quiet, to such extent as was deemed practicable; and the provisional appropriation of two millions of dollars, to be applied and accounted for by the president of the United States, intended as part of the price, was considered as conveying the sanction of Congress to the acquisition proposed. The enlightened government of France saw, with just discernment, the importance to both nations of such liberal arrangements as might best and permanently promote the peace, friendship, and interests of both; and the property and sovereignty of all Louisiana, which had been restored to them, have on certain conditions been transferred to the United States by instruments bearing date the 30th of April last. When these shall have received the constitutional sanction of the senate, they will without delay be communicated to the representatives also, for the exercise of their functions, as to those conditions which are within the powers vested by the constitution in Congress. While the property and sovereignty of the Mississippi and its waters secure an independent outlet for the produce of the western States, and an uncontrolled navigation through their whole course, free from collision with other powers and the dangers to our peace from that source, the fertility of the country, its climate and extent, promise in due season important aids to our treasury, an ample provision for our posterity, and a wide-spread field for the blessings of freedom and equal laws.

With the wisdom of Congress it will rest to take those ulterior measures which may be necessary for the immediate occupation and temporary government of the country; for its incorporation into our Union; for rendering the change of government a blessing to our newly-adopted brethren; for securing to them the rights of conscience and of property: for confirming to the Indian inhabitants their occupancy and self-government, establishing friendly and commercial relations with them, and for ascertaining the geography of the country acquired. Such materials for your information, relative to its affairs in general, as the short space of time has permitted me to collect, will be laid before you when the subject shall be in a state for your consideration. . . .

Should the acquisition of Louisiana be constitutionally confirmed and carried into effect, a sum of nearly thirteen millions of dollars will then be added to our public debt, most of which is payable after fifteen years; before which term the present existing debts will all be discharged by the established operation of the sinking fund. When we contemplate the ordinary annual augmentation of imposts from increasing population and wealth, the augmentation of the same revenue by its extension to the new acquisition, and the economies which may still be introduced into our public expenditures, I cannot but hope that Congress in reviewing their resources will find means to meet the intermediate interests of this additional debt without recurring to new taxes, and applying, to this object only the ordinary progression of our revenue. Its extraordinary increase in times of foreign war will be the proper and sufficient fund for any measures of safety or precaution which that state of things may render necessary in our neutral position. . . .

We have seen with sincere concern the flames of war lighted up again in Europe, and nations with which we have the most friendly and useful relations engaged in mutual destruction. While we regret the miseries in which we see others involved let us bow with gratitude to that kind Providence which, inspiring with wisdom and moderation our late legislative councils while placed under the urgency of the greatest wrongs, guarded us from hastily entering into the sanguinary contest, and left us only to look on and to pity its ravages. These will be heaviest on those immediately engaged. Yet the nations pursuing peace will not be exempt from all evil. In the course of this conflict, let it be our endeavor, as it is our interest and desire, to cultivate the friendship of the belligerent nations by every act of justice and of incessant kindness; to receive their armed vessels with hospitality from the distresses of the sea, but to administer the means of annoyance to none; to establish in our harbors such a police as may maintain law and order; to restrain our citizens from embarking individually in a war in which their country takes no part; to punish severely those persons, citizen or alien, who shall usurp the cover of our flag for vessels not entitled to it, infecting thereby with suspicion those of real Americans, and committing us into controversies for the redress of wrongs not our own; to exact from every nation the observance, toward our

vessels and citizens, of those principles and practices which all civilized people acknowledge; to merit the character of a just nation, and maintain that of an independent one, preferring every consequence to insult and habitual wrong. . . . Separated by a wide ocean from the nations of Europe, and from the political interests which entangle them together, with productions and wants which render our commerce and friendship useful to them and theirs to us, it cannot be the interest of any to assail us, nor ours to disturb them. We should be most unwise, indeed, were we to cast away the singular blessings of the position in which nature has placed us, the opportunity she has endowed us with of pursuing, at a distance from foreign contentions, the paths of industry, peace, and happiness; of cultivating general friendship, and of bringing collisions of interest to the umpirage of reason rather than of force. How desirable then must it be, in a government like ours, to see its citizens adopt individually the views, the interests, and the conduct which their country should pursue, divesting themselves of those passions and partialities which tend to lessen useful friendships, and to embarrass and embroil us in the calamitous scenes of Europe. Confident, fellow citizens, that you will duly estimate the importance of neutral dispositions toward the observance of neutral conduct, that you will be sensible how much it is our duty to look on the bloody arena spread before us with commiseration indeed, but with no other wish than to see it closed, I am persuaded you will cordially cherish these dispositions in all discussions among yourselves, and in all communications with your constituents; and I anticipate with satisfaction the measures of wisdom which the great interests now committed to *you* will give you an opportunity of providing, and *myself* that of approving and carrying into execution with the fidelity I owe to my country.

THE WAR OF 1812

THE WAR OF 1812 was part of the struggle between England and Napoleon. As that conflict spread, each side tried to injure the other by cutting off its trade. Napoleon's Decrees were replies to the English Orders in Council, and neutral commerce was caught between them. As the principal neutral carrier, the United States suffered most severely, for Orders in Council attempted to confine American trade to British ports, while American ships were seized by the French in Continental ports if they abided, or were suspected of abiding, by the edicts of the English. The United States attempted to meet the problem by economic pressure. The Jeffersonian policy of Embargo and Congressional Non-Intercourse proved inadequate and finally forced the United States into the war it had been trying to avoid.

Interestingly enough, the Congressional drive for war with England appeared among representatives of inland areas; none of the leaders among the "War Hawks" of 1810 and 1811 came from a maritime district. The seaboard areas, which suffered in their commerce, were so much opposed to the policy of resisting English encroachments that New England spokesmen took alarm at governmental action. And when war broke out, they were hostile to it. To resolve the paradox, historians returned to the Congressional debates.

Nothing reveals the sectional nature of the war spirit better than the debate on the report of the special committee which had been appointed to consider the President's message of November, 1811. Madison had urged Congress to take measures to assure the country's defense in view of the threatening aspect of foreign affairs. That committee was made up of men of the Western frontier and when it brought in its report in December, the committee recommended preparation for war. Conciliation had proved useless, said Peter Porter of New York; the people of the United States, "occupying half a continent, have a right to navigate the seas without being molested by the inhabitants of the little island of Great Britain." To that advice, which might be taken for an appeal to the seaboard, Felix Grundy of Tennessee added charges of British intrigue among the Indians. The country must

be rid of that danger, he declared; Canada should be annexed and the United States dominate the whole continent.

In John Randolph's (1773–1833) reply to Grundy and in Richard M. Johnson's (1780–1850) rejoinder to Randolph, the motives of the "War Hawks" and the factors impelling their supporters are plainly stated. Grundy had spoken on December ninth. On the next day, John Randolph in a long and bitter speech denounced the war policy in its every aspect. Standing armies were dangerous, Randolph argued in opposition to the committee's recommendation that the United States strengthen its military forces. A war for maritime rights now would help Napoleon fight the forces of civilization. He held up the bogey of French dominion and he warned his Southern colleagues of the danger of a slave insurrection. And then he turned on the West. This is no war for maritime rights, Randolph charged; the men who clamor for it have no nobler motive than a rise in the price of what they have to sell. Agricultural cupidity was behind the war cry.

Calhoun denied Randolph's accusation. The war party was acting from patriotism, not "the base and precarious motives" of "a probable rise in the price of hemp." Richard M. Johnson of Kentucky answered Randolph even more completely, for his speech presents all the West's grievances. He begins by paying his respects to Randolph's tribute to the mother of parliaments. It is to Hampden and Algernon Sydney, not Canning and Castlereagh that the United States owes gratitude, Johnson declared: Americans might revere martyrs to liberty; they could not respect the present corrupt government of England. For that government had been guilty of cruel incitements of the Indians. The British should be driven from North America and the United States extend its dominion over all the continent. (Thus Johnson anticipates America's "Manifest Destiny.")

Randolph returned to the attack, striking at the Western men's greed for land. It was that, not British incitements which had sent the Indians against the frontier. Randolph's invective did not prevent passage of the committee's resolutions for preparedness, however. But Randolph had the last bitter word. He urged Representatives to return home and ask their constituents whether they wanted their sons to fight the Canadians and whether they were willing to be taxed "in order that we may get possession of the great mill-seat at Niagara."

The selections are reprinted from the *Annals of Congress* (Washington, 1811) which report the debate held in the House of the 12th Congress, 1st Session.

The House Debate of December, 1811, on Preparation for War

BY JOHN RANDOLPH

. . . Mr. Randolph said that an insinuation had fallen from the gentleman from Tennessee (Mr. Grundy.) that the late massacre of our brethren on the Wabash had been instigated by the British Government. Has the President given any such information? has the gentleman received any such, even informally, from any officer of this Government? Is it so believed by the Administration? He had cause to think the contrary to be the fact; that such was not their opinion. This insinuation was of the grossest kind—a presumption the most rash, the most unjustifiable. Show but good ground for it, he would give up the question at the threshold—he was ready to march to Canada. It was indeed well calculated to excite the feelings of the Western people particularly, who were not quite so tenderly attached to our red brethren as some modern philosophers; but it was destitute of any foundation, beyond mere surmise and suspicion. What would be thought, if, without any proof whatsoever, a member should rise in his place and tell us, that the massacre in Savannah,

a massacre perpetrated by civilized savages, with French commissions in their pockets, was excited by the French Government? There was an easy and natural solution of the late transaction on the Wabash, in the well known character of the aboriginal savage of North America, without resorting to any such mere conjectural estimate. He was sorry to say that for this signal calamity and disgrace the House was, in part, at least, answerable. Session after session, their table had been piled up with Indian treaties, for which the appropriations had been voted as a matter of course, without examination. Advantage had been taken of the spirit of the Indians, broken by the war which ended in the Treaty of Greenville. Under the ascendency then acquired over them, they had been pent up by subsequent treaties into nooks, straightened in their quarters by a blind cupidity, seeking to extinguish their title to immense wildernesses, for which, (possessing, as we do already, more land than we can sell or use) we shall not have occasion, for half a century to come. It was our own thirst for territory, our own want of moderation, that had driven these sons of nature to desperation, of which we felt the effects.

Mr. R., although not personally acquainted with the late Colonel Daviess, felt, he was persuaded, as deep and serious regret for his loss as the gentleman from Tennessee himself. He knew him only through the representation of a friend of the deceased (Mr. ROWAN) sometime a member of that House; a man, who, for native force of intellect, manliness of character, and high sense of honor, was not inferior to any that had ever sat there. With him he sympathized in the severest calamity that could befall a man of his cast of character. Would to God they were both then on the floor! From his personal knowledge of the one, he felt confident that he would have his support—and he believed (judging of him from the representation of their common friend) of the other also.

He could but smile at the liberality of the gentleman, in giving Canada to New York, in order to strengthen the Northern balance of power, while at the same time he forwarned her that the Western scale must preponderate. Mr. R. said he could almost fancy that he saw the Capitol in motion towards the falls of Ohio—after a short sojourn taking its flight to the Mississippi, and finally alighting on Darien; which, when the gentleman's dreams are realized, will be a most eligible seat of Government for the new Republic (or Empire) of the two Americas! But it seemed that "in 1808 we talked and acted foolishly," and to give some color of consistency to that folly, we must now commit a greater. Really he could not conceive of a weaker reason offered in support of a present measure, than the justification of a former folly. He hoped we should act a wiser part—take warning by our follies, since we had become sensible of them, and resolve to talk and act foolishly no more. It was indeed high time to give over such preposterous language and proceedings.

This war of conquest, a war for the acquisition of territory and subjects, is to be a new commentary on the doctrine that Republics are destitute of ambition—that they are addicted to peace, wedded to the happiness and safety of the great body of their people. But it seems this is to be a holiday campaign—there is to be no expense of blood, or treasure, on our part—Canada is to conquer herself—she is to be subdued by the principles of fraternity. The people of that country are first to be seduced from their allegiance, and converted into traitors, as preparatory to the making them good citizens. Although he must acknowledge that some of our flaming patriots were thus manufactured, he did not think the process would hold good with a whole community. It was a dangerous experiment. We were to succeed in the French mode by the system of fraternization—all is French! but how dreadfully it might be retorted on the Southern and Western slaveholding States. He detested this subornation of treason. No—if he must have them, let them fall by the valor of our arms, by fair, legitimate conquest; not become the victims of treacherous seduction.

He was not surprised at the war spirit which was manifesting itself in gentlemen from the South. In the year 1805–6, in a struggle for the carrying trade of belligerent colonial produce, this country had been most unwisely brought into collision with the great Powers of Europe. By a series of most impolitic and ruinous measures, utterly incomprehensible to every rational, soberminded man, the Southern planters, by their own votes, had succeeded in knocking down the price of cotton to seven cents, and of tobacco (a few choice crops excepted) to nothing—and in raising the price of blankets, (of which a few would not be amiss in a Canadian campaign,) coarse woollens, and every article of first necessity, three or four hundred per cent. And now that, by our own acts, we have brought ourselves into this unprecedented condition, we must get out of it in any way, but by an acknowledgement of our own want of wisdom and forecast. But is war the true remedy? Who will profit by it? Speculators—a few lucky merchants, who draw prizes in the lot-

tery—commissaries and contractors. Who must suffer by it? The people. It is their blood, their taxes, that must flow to support it.

But gentlemen avowed that they would not go to war for the carrying trade—that is, for any other but the direct export and import trade—that which carries our native products abroad, and brings back the return cargo; and yet they stickle for our commercial rights, and will go to war for them! He wished to know, in point of principle, what difference gentlemen could point out between the abandonment of this or of that maritime right? Do gentlemen assume the lofty port and tone of chivalrous redressors of maritime wrongs, and declare their readiness to surrender every other maritime right, provided they may remain unmolested in the exercise of the humble privilege of carrying their own produce abroad, and bringing back a return cargo? Do you make this declaration to the enemy at the outset? Do you state the minimum with which you will be contented, and put it in her power to close with your proposals at her option; give her the basis of a treaty ruinous and disgraceful beyond example and expression? and this too after having turned up your noses in disdain at the treaties of Mr. Jay and Mr. Monroe! Will you say to England, "end the war when you please, give us the direct trade in our own produce, we are content?" But what will the merchants of Salem, and Boston, and New York, and Philadelphia, and Baltimore, the men of Marblehead and Cape Cod, say to this? Will they join in a war professing to have for its object what they would consider (and justly too) as the sacrifice of their maritime rights, yet affecting to be a war for the protection of commerce?

He was gratified to find gentlemen acknowledging the demoralizing and destructive consequences of the non-importation law—confessing the truth of all that its opponents foretold when it was enacted. And will you plunge yourselves in war, because you have passed a foolish and ruinous law, and are ashamed to repeal it? "But our good friend the French Emperor stands in the way of its repeal," and as we cannot go too far in making sacrifices to him, who has given such demonstration of his love for the Americans, we must, in point of fact, become parties to his war. "Who can be so cruel as to refuse him this favor?" His imagination shrunk from the miseries of such a connexion. He called upon the House to reflect whether they were not about to abandon all reclamation for the unparalleled outrages, "insults and injuries" of the French Government, to give up our claim for plundered millions; and asked what reparation or atonement they could expect to obtain in hours of future dalliance, after they should have made a tender of their person to this great deflowerer of the virginity of republics. We had by our own wise (he would not say *wise-acre*) measures, so increased the trade and wealth of Montreal and Quebec, that at last we began to cast a wistful eye at Canada. Having done so much towards its improvement by the exercise of "our restrictive energies," we began to think the laborer worthy of his hire, and to put in claim for our portion. Suppose it ours, are we any nearer to our point? As his Minister said to the King of Epirus, "may we not as well take our bottle of wine before as after this exploit?" Go! march to Canada! leave the broad bosom of the Chesapeake and her hundred tributary rivers—the whole line of seacoast from Machias to St. Mary's, unprotected! You have taken Quebec—have you conquered England? Will you seek for the deep foundations of her power in the frozen deserts of Labrador?

> "Her march is on the mountain wave,
> Her home is on the deep!"

Will you call upon her to leave your ports and harbors untouched, only just till you can return from Canada, to defend them? The coast is to be left defenceless, whilst men of the interior are revelling in conquest and spoil. But grant for a moment, for mere argument's sake, that in Canada you touched the sinews of her strength, instead of removing a clog upon her resources—an encumbrance, but one, which, from a spirit of honor, she will vigorously defend. In what situation would you then place some of the best men of the nation? As Chatham and Burke, and the whole band of her patriots, prayed for her defeat in 1776, so must some of the truest friends to their country deprecate the success of our arms against the only Power that holds in check the archenemy of mankind.

Mr. R. declared, that the committee had outstripped the Executive. In designating the Power against whom this force was to be employed—as had most unadvisably been done in the preamble or manifesto with which the resolutions were prefaced—they had not consulted the views of the Executive; that designation was equivalent to an abandonment of all our claims on the French Government. No sooner was the report laid on the table, than the vultures were flocking round their prey, the carcass of a great Military Establishment—men of trained reputation, of broken fortunes (if they ever had any) and of battered constitutions, "choice spirits, tired of the dull pur-

suits of civil life," were seeking after agencies and commissions; willing to doze in gross stupidity over the public fire; to light the public candle at both ends. Honorable men, undoubtedly there were ready to serve their country, but what man of spirit, or of self-respect, would accept a commission in the present Army?

The gentleman from Tennessee (Mr. GRUNDY) had addressed himself, yesterday, exclusively to the "Republicans of this House." Mr. R. knew not whether he might consider himself as entitled to any part of the benefit of the honorable gentleman's discourse. It belonged not, however, to that gentleman to decide. If we must have an exposition of the doctrines of Republicanism, he should receive it from the fathers of the church, and not from the junior apprentices of the law. He should appeal to his worthy friends from Carolina, (Messrs. MACON and STANFORD,) "men with whom he had measured his strength," by whose side he had fought during the reign of terror, for it was indeed an hour of corruption, of oppression, of pollution. It was not at all to his taste, that sort of Republicanism which was supported on this side of the Atlantic by the father of the sedition law, John Adams, and by Peter Porcupine on the other. Republicanism! of John Adams! and William Cobbett! *Par nobile fratrum*, now united as in 1798, whom the cruel walls of Newgate alone keep from flying to each other's embrace—but whom, in sentiment, it is impossible to divide! Gallant crusaders in the holy cause of Republicanism! Such "Republicanism does indeed mean anything or nothing."

Our people will not submit to be taxed for this war of conquest and dominion. The Government of the United States was not calculated to wage offensive foreign war—it was instituted for the common defence and general welfare; and whosoever should embark it in a war of offence, would put it to a test which it was by no means calculated to endure. Make it out that Great Britain had instigated the Indians on the late occasion, and he was ready for battle; but not for dominion. He was unwilling, however, under present circumstances, to take Canada, at the risk of the Constitution—to embark in a common cause with France and be dragged at the wheels of the car of some Burr or Bonaparte. For a gentleman from Tennessee or Gennessee, or Lake Champlain, there may be some prospect of advantage. Their hemp would bear a great price by the exclusion of foreign supply. In that too the great importers were deeply interested. The upper country on the Hudson and the Lakes would be enriched by the supplies for the troops, which they alone could furnish. They would have the exclusive market: to say nothing of the increased preponderance from the acquisition of Canada and that section of the Union, which the Southern and Western States had already felt so severely in the apportionment bill. . . .

Rejoinder

BY RICHARD M. JOHNSON

MR. JOHNSON said he rose to thank the committee for the report which was offered to the House, and the resolutions which were recommended; though the measures fell short of his wishes, and, he believed, of public expectation. The ulterior measures, however, promised by the committee satisfied his mind, and he should give the report his warm support. The chairman had given the views of the committee. The expulsion of the British from their North American possessions, and granting letters of marque and reprisal against Great Britain are contemplated. Look at the Message of the President. At a moment least to be expected, when France had ceased to violate our neutral rights, and the olive branch was tendered to Great Britain, her Orders in Council were put into a more rigorous execution. Not satisfied with refusing a redress for wrongs committed on our coasts and in the mouths of our harbors, our trade is annoyed, and our national rights invaded; and, to close the scene of insolence and injury, regardless of our moderation and our justice, she has brought home to the "threshold of our territory," measures of actual war. As the love of peace has so long produced forbearance on our part, while commercial cupidity has increased the disposition to plunder on the part of Great Britain, I feel rejoiced that the hour of resistance is at hand, and that the President, in whom the people have so much confidence, has warned us of the perils that await them, and has exhorted us to put on the armor of defence, to gird on the sword, and assume the manly and bold attitude of war. He recommends filling up the ranks of the present Military Establishment, and to lengthen the term of service; to raise an auxiliary force for a more limited time; to authorize the acceptance of volunteers, and provide for calling out detachments

of militia as circumstances may require. For the first time since my entrance into this body, there now seems to be but one opinion with a great majority—that with Great Britain war is inevitable; that the hopes of the sanguine as to a returning sense of British justice have expired; that the prophecies of the discerning have failed; and, that her infernal system has driven us to the brink of a second revolution, as important as the first. Upon the Wabash, through the influence of British agents, and within our territorial sea by the British navy, the war has already commenced. Thus, the folly, the power, and the tyranny of Great Britain, have taken from us the last alternative of longer forbearance.

Mr. J. said we must now oppose the farther encroachments of Great Britain by war, or formally annul the Declaration of our Independence, and acknowledge ourselves her devoted colonies. The people whom I represent will not hesitate which of the two courses to choose; and, if we are involved in war, to maintain our dearest rights, and to preserve our independence, I pledge myself to this House, and my constituents to this nation, that they will not be wanting in valor, nor in their proportion of men and money to prosecute the war with effect. Before we relinquish the conflict, I wish to see Great Britain renounce the piratical system of paper blockade; to liberate our captured seamen on board her ships of war; relinquish the practice of impressment on board our merchant vessels; to repeal her Orders in Council; and cease, in every other respect, to violate our neutral rights; to treat us as an independent people. The gentleman from Virginia (Mr. RANDOLPH) has objected to the destination of this auxiliary force—the occupation of the Canadas, and the other British possessions upon our borders where our laws are violated, the Indians stimulated to murder our citizens, and where there is a British monopoly of the peltry and fur trade. I should not wish to extend the boundary of the United States by war if Great Britain would leave us to the quiet enjoyment of independence; but, considering her deadly and implacable enmity, and her continued hostility, I shall never die contented until I see her expulsion from North America, and her territories incorporated with the United States. It is strange that the gentleman would pause before refusing this force, if destined to keep the negroes in subordination—who are not in a state of insurrection as I understand—and he will absolutely refuse to vote this force to defend us against the lawless aggressions of Great Britain—a nation in whose favor he had said so much. . . .

Mr. Randolph said, Sir, if you go to war it will not be for the protection of, or defence of your maritime rights. Gentlemen from the North have been taken up to some high mountain and shown all the kingdoms of the earth; and Canada seems tempting in their sight. That rich vein of Genessee land, which is said to be even better on the other side of the lake than on this. Agrarian cupidity, not maritime right, urges the war. Ever since the report of the Committee on Foreign Relations came into the House, we have heard but one word—like the whip-poor-will, but one eternal monotonous tone—Canada! Canada! Canada! Not a syllable about Halifax, which unquestionably should be our great object in a war for maritime security. It is to acquire a prepondering northern influence, that you are to launch into war. For purposes of maritime safety, the barren rocks of Bermuda were worth more to us than all the deserts through which Hearne and McKenzie had pushed their adventurous researches. Since this great bomb, the report of the Committee, had burst upon the House, Mr. R. had been anxiously waiting for some great political or military projector to point out a way by which we could get at Halifax, or even at Quebec. He had seen and heard nothing that indicated a tolerably correct information of the subject. Whilst England maintained the mastery of the seas, and could throw supplies into them at pleasure, he supposed they were to be starved out. He was forcibly reminded of a ludicrous caricature, published soon after the siege of Gibraltar. That fortress was represented to lie in the moon—and whilst the Duke de Crillon was making passes at it with a small sword, Don Quixote, on his Rosinante, with Sancho (the best and most honest Governor of whom he had ever heard) mounted on Dapple, at his back, exclaimed, with true Castilian gravity to his trusty squire, "we'll starve them out Sancho!" This *tit-bit*, Canada, which had inflamed the cupidity of northern contractors, made us forget the disturbances among our savage neighbors —the hostilities committed or meditated along our whole northwestern and southern frontier. Symptoms of discontent were manifesting themselves among the Creeks—in the State of Georgia. As to Louisiana, he did not consider it as an integral part of the United States. We had bought it and might sell it—he felt himself as much at liberty to sell it as to dispose of his own slaves. If we were to have war, he hoped it would be for something of greater national benefit than to enrich the commissaries and contractors from Michillimackinac to Niagara and Frontignac. . . .

Part Four

JACKSONIAN DEMOCRACY

INTRODUCTION

1. THE GROWTH OF AMERICA

By 1830, the United States had a population of 13,000,000; in other words, it had increased more than 150 percent since the turn of the century. It was still largely native-born and still northwest-European in origin. With the end of the Napoleonic Wars, immigration to America had been resumed and the appearance of regular sailings by new shipping companies facilitated the process; but during the 1820s only an average of 14,300 came to the country annually, and during the 1830s, 60,000. These, for the most part, were from Great Britain and Germany—with, however, an increasing number from Ireland. In 1830, considerably less than 10 percent of America's people were foreign-born.

The New England and the Middle States constituted the most populous regions of the country. New York State had 1,900,000 inhabitants, Pennsylvania 1,300,000, and Massachusetts 610,000. In the South Atlantic States, Virginia still led with 1,200,000, but North Carolina was moving up rapidly. The settlers of the Old Northwest were pushing out of their original confines. They were spreading throughout the states of Ohio, Indiana, and Illinois, extending northward into the territories of Wisconsin and Michigan, and spilling over into the trans-Mississippi West into Iowa. A similar movement had taken place in the Old Southwest. Kentuckians and Tennesseans were moving into Arkansas and Missouri, and some of the bolder spirits were accepting the invitation of the Mexican government to colonize Texas.

Population Movements. The population of the West doubled itself each decade. During the years 1810–30 six new states were admitted into the Union: Louisiana in 1812, Indiana in 1816, Mississippi in 1817, Illinois in 1818, Alabama in 1819 and Missouri in 1821. In another twenty years, to their company were to be added Arkansas (1836), Michigan (1837), Iowa (1846), Texas (1845), and Wisconsin (1848). This was a vast internal movement of the American people—stimulated by the existence of easily acquired lands and aided by the presence of the great interior communications system of the United States. People usually moved in short jumps rather than long ones: from contiguous state to contiguous state rather than across country. They walked; or traveled by Conestoga wagon; or floated down rivers on barges and keelboats. After 1812 the steamboat was to be found on the Western waters; after 1825, connecting canals linked all the important rivers of the country in one single chain. By 1830, there were almost 4,000,000 Americans in the Mississippi Valley as compared with 8,600,000 on the Atlantic slope.

The Land System. The liberalization of the American land laws aided the process. Up to 1820, public lands had been sold in large parcels and on a credit basis. After 1820, the credit system was abolished; the minimum purchase was first reduced to 80 acres and then 40 acres; and a minimum price of $1.25 an acre was set. Public lands were acquired by joint-stock companies established for that purpose, and many wealthy individuals—notably New Englanders—acquired great holdings. Banks, Western banks for the most part, were prepared to finance such operations and the business difficulties of the period—those of 1819 and 1837—were precipitated by land speculations particularly. Nevertheless, the small settler acquired the land: most frequently on credit, often by outright purchase, sometimes

by squatting. The squatters' holdings were constantly being legalized, by special preemption laws passed by Congress and finally in 1841 by the general Preemption Law. This last allowed a cashless squatter to establish himself on the public domain and subsequently acquire a quarter section of 160 acres at the minimum government price of $1.25 an acre. Quite often, the Western settler started out by being a tenant; but this was not tenancy in the European sense of small holdings, labor services, and alienation fines. Tenancy in America constituted a temporary status: the American farmer climbed up the rungs of the ladder until, before long, he possessed his own freehold.

Economic Activity. There have been many American frontiers and frequently they have been interrelated. Americans penetrated into the West as drovers, fur traders, miners and rivermen: St. Louis was an early outpost of the fur trade; into Wisconsin, Illinois, and Michigan—side by side with cattlemen and farmers—went miners to dig out lead and copper; early Americans in distant Oregon were fur traders, and in distant California drovers and miners. Eastern capital went into the West to finance the fur trade—as in the case of John Jacob Astor—and copper mining—as in the case of William E. Dodge.

But primarily, the West was the farmer's frontier. Moving across the states, out of New England into New York and over into the Middle West and the trans-Mississippi West—in one series of waves—went the growers of wheat and corn, the sheep raisers and the producers of hogs. Out of the Old Dominion and North Carolina, into Kentucky and Tennessee and south and west into the Gulf States and Texas—in another series of waves—went the growers of hemp, tobacco, corn, and cotton. In the 1820s and 1830s wheat was being raised in the Middle West; in another decade, wheat had moved out into Iowa and the Nebraska Territory, while corn was replacing it in Ohio, Indiana, and Illinois.

The American Western farmer began with a subsistence economy—but he did not linger long there. Farms were quickly being joined to markets, by rivers, canals, and roads. The needs of the East for foods and fibers and the growing dependence of Europe upon America for flour, hemp, and cotton made it possible for specialization quickly to set in. Sheep were being raised in Ohio quite early; swine were appearing in all of the states of the Middle West; even yearling beef cattle—produced in the trans-Mississippi West—were being sent eastward into Illinois, Ohio, and Indiana for fattening before slaughter. The farmer prospered—and bought his land, expanded his holdings, acquired new and improved implements, and encouraged the extension of the social services. He was always a member of the middle class in America, but became politically articulate when low prices and inadequate agricultural credit threatened the loss of his freehold.

Urbanization. America was still predominantly rural—as it was to remain for another fifty years. In 1830, the great majority of Americans dwelt in the countryside. Indeed, in 1810 and 1820, only 5 percent of the country's population lived in places of 8,000 inhabitants or more; and for 1830 and 1840, the proportions were only 6.7 and 8.5 percent, respectively. It was not until 1850 that the processes of urbanization really began to set in; for then the proportion stood at 12.5 percent. If, in our modern world, urbanization is really the test for industrialization, then America was still largely agricultural and mercantile in its economy up to the middle forties. This is not to say that fairly large urban centers did not exist. New York was now the country's first city with a population of 200,000. Philadelphia, Baltimore, and Boston followed next with populations of 161,000, 80,000, and 61,000, respectively. In the South, New Orleans had 46,000 inhabitants and Charleston 30,000. The West's urban centers, as one might expect, were lake and river towns. Cincinnati claimed 24,000 people, Pittsburg 12,000, Louisville 10,000, St. Louis 6,000, and Chicago less than 3,000. Amer-

ica's cities and towns were mercantile centers first; not for a long time did industry become significant in them. There were exceptions, of course. In Philadelphia were to be found woolen weavers, in New York sugar refiners, in Cincinnati meat packers. In all the towns on the shores of the Atlantic and the Great Lakes and on the Mississippi and the Ohio Rivers were shipwrights and boatmakers. But, by and large, industrial production in America was a rural activity rather than an urban one.

2. *THE MERCANTILE ECONOMY OF AMERICA*

Well into the 1850s, America's economy was agrarian and mercantile rather than industrial. That is to say, in the country the typical businessman was a farmer and in the city he was a merchant, broker, or banker. Much like the colonial businessman, the urban businessman of the 1830s and 1840s engaged in many trades, diversified his risks, and kept a good deal of his capital in liquid form. Hence he was able to finance land jobbing and manufacturing—but the latter was not industrial production in our modern sense. Thus, in a number of the outstanding American industries—in boots and shoes, in meat packing, in woolen textiles, in iron, for example—the businessman was not a factory owner, possessing and managing a plant and equipment, but a merchant or a commission man. He bought the raw materials, put them out for fabrication among country workers, and sold the finished products. At the same time, he was financing trading voyages, operating a retail or wholesale establishment, and interesting himself in joint-stock banks and insurance companies.

Cottage Production. In New England and the Middle States, particularly, production—always excepting cotton textiles—was organized along such lines. Cottage workers, usually on their own farms, worked for merchant-manufacturers on linen and woolen goods, straw hats, brooms, iron nails, boots and shoes—all those articles that did not require automatic machinery and where the processes of fabrication from raw materials into finished goods were simple. The boot and shoe industry was typical. The merchant-manufacturer was a resident of Boston or Providence or Newport and not infrequently ran a local shop. The cottagers therefore were paid often in goods, or truck, from the shelves of the store. Either above or behind the store were the central workroom and warehouse: here were to be found a few journeymen who prepared the leather for fabrication or who cut the soles and uppers. The sewing together of the shoes was performed by the cottagers—as a rule in so-called ten-footers or "ells" added to the farmhouses. The merchant-manufacturer provided the leather, binding, thread and other materials, but not the tools. The semiprocessed leather was delivered and the finished boots and shoes taken away by carriers who received a percentage of the pay of the cottagers. The shoes were put into barrels and sold to local merchants or, increasingly, moved into the Western market. As the market expanded, cash payments replaced truck and the merchant-manufacturer concentrated less on his retail establishment and more on his packing and shipping activities.

Overseas Commerce. At the same time, this Eastern merchant was deeply interested in overseas commerce. From the end of the Revolution to the 1830s, the English Mercantilist System was in process of being dismantled, although it was not formally terminated until 1850. As a result, Americans were not completely shut out of the English and colonial trades. They could send to the United Kingdom tobacco, pig and bar iron, and naval stores; and to the British West Indies lumber, live animals, rice, naval stores, and tobacco. In

the beginning, these goods had to move in English ships.

During the Napoleonic Wars this was no hardship; in fact, as English and French engaged in a life and death struggle, America became the greatest carrying nation of the world. By 1810, America's merchant marine stood at 1,500,000 tons and American ships were to be found in every harbor of the seven seas. American merchants sought to supply both English and French; monopolized the trade of all the Sugar Islands; and expanded mightily into the Pacific. It was during this period that a series of triangular trades was opened up with China. Putting out of Boston, New York, and Philadelphia, American ships sailed around Cape Horn into the Pacific Ocean; stopped at Northwest trading stations to take on cargoes of furs and whale oil; or proceeded out to the Hawaiian Islands to pick up sandalwood; and thence to the China Sea where they traded their goods for spices, teas, silks, nankeens, and chinaware. As a rule, a single such voyage lasting from one to three years paid for the cost of the ship and netted handsome profits for owners, captain, and crew. From this rich China trade—which continued to flourish through the 1830s—came the Massachusetts fortunes which were invested in the New England cotton textile industry, the building of local and Western railways, and the financing of land-mortgage companies and joint-stock banks.

The carrying trade did not last—indeed, at the end of the 1830s it was already slipping. But American ships and their bold and skillful supercargoes and crews sustained the economy of America during the period when it was still a young nation; and the profits of these voyages not only made possible European borrowings by America but also created those savings that were poured into other forms of domestic enterprise. It may be said that American ships and trading voyages really built the canals, railways, and early factories of the United States.

Balance of Payments. Almost continuously right up to the early 1870s we imported more than we exported. Despite tariffs, whose schedules continued quite low until 1861, we imported metals, iron manufactures, and products made of wool, cotton, leather, glass, paper and wood. We imported, also, of course, sugar, tea and—after 1840—coffee. Our exports were naval stores, furs, rice and lumber products; but, increasingly, in the decades before the Civil War, they came to be Western wheat and flour and meat products and Southern cotton. We also borrowed European capital to help finance the first and second Bank of the United States and to build the public improvements of the 1820s and the 1830s. How did we pay for this excess of imports and the interest on foreign loans? The earnings of our merchant marine balanced our international payments. Thus, during the years 1821–37, the excess of imports over exports came to $185,000,000; interest paid to foreign investors in the United States came to $60,000,000; but the net earnings of American merchant shipping and the sale of our ships abroad came to $214,000,000. It was no wonder that America's credit was good abroad and that often specie was being sent to the United States by Europeans to settle their balances here.

Cotton Textiles. In one area of economic activity, however, industrial production was introduced and it was here that the American businessman became an industrial capitalist. This was in the case of the manufacture of cotton textiles. Small cotton mills, usually for spinning only (the weaving was done by cottagers), had appeared as early as the 1790s in Rhode Island and southern Massachusetts. They had used automatic spindles and child labor, but capitalization was small, and often these plants were simply adjuncts to mercantile establishments. The supply of English cotton goods was cut off by the War of 1812; when the war was over, the renewed competition of the English merchant marine turned the attention of New England merchants to cotton manufacture. Now for the first time the factory system appeared in America. Capital

from Boston moved out to the fall-river towns of northern Massachusetts, New Hampshire, and Maine; both spinning and weaving were being performed by automatic machinery; labor was being organized and disciplined and instead of being paid in truck received money wages. How large these operations were may be noted from the fact that the Waltham Company started with a paid-in capital of $500,000 which was doubled in less than a decade. Profits were high—running to as much as 10 to 16 percent annually, but they were frequently illusory, since early accounting methods did not provide for interest, insurance, and depreciation.

The labor supply of these early mills was recruited from the countryside and consisted usually of young women who were not expected to stay more than two to four years on the job. They worked on an average 70 hours a week and received $2 a week in wages; nevertheless, they could not be regarded as an exploited factory population. Under the "Waltham System," as it was called, the operatives lived in company boardinghouses carefully supervised by matrons, and were encouraged to save their weekly wages. Most did so, in fact, and returned to their country homes before long to be replaced by their younger sisters. This continued until the end of the 1840s when a new type of management introduced the speed-up and stretch-out and substituted for the young women Canadian and Irish male immigrant workers.

Internal Improvements. It was obvious that such an America—spreading rapidly as it was over the continental domain, hunting eagerly for raw materials to move into the international market to pay for imported finished goods—should constantly concern itself with internal improvements. Colonial America had traveled by sea; early national America, moving cross-country, had to travel by land. As soon as freedom had been established and corporations could be created, private capital had appeared to finance turnpike and bridge construction. But America was not yet rich enough to depend entirely on the resources of individuals; hence, recourse was had to public authority. As early as 1806, Congress was called upon to launch a program of internal improvements and, for the next quarter century, grants were generously made. Greatest of all projects was the famous Cumberland Road which crossed the Alleghenies from the Potomac River, to the Ohio and was pushed westward across Ohio, Indiana, and Illinois. This was America's first highway into the West.

By the 1820s, the interior waterways of the country were being opened up. Thanks to the steamboat, for the next two decades the Mississippi and its tributaries became great arteries of trade. There were 60 steamboats on the Mississippi in 1820 and more than 1,200 in 1850. Down its broad waters moved hemp, wheat, meat products, and cotton, meeting boatloads of sugar and finished products coming upriver. New Orleans became one of the country's great *entrepôts*, and at the same time interior markets were being served by Cincinnati and St. Louis.

Canals. Other waterways soon appeared to supplement the rivers and in fact to bind them together. Again, public capital had to take the initiative. The Erie Canal, America's first great project of the kind, was completed in 1825 at a cost of about $8,000,000. In less than ten years the capital cost had been met from toll charges. But the Erie Canal had been more than a successful financial venture: it had reduced the cost of carriage of bulk goods from Buffalo to New York from $100 to $10 a ton; it was bringing Western wheat into New York, thus permitting Eastern farmers to specialize; and it was at the basis of the New York port's greatness. Pennsylvania and New Jersey floated bond issues to follow New York's example; so, before long, did Western and Southern states. Soon, canals were connecting rivers and rivers, lakes and rivers, and rivers and the sea. They were being pushed out into the pioneer zones, through heavily wooded sections, across swamps. So great was the enthusiasm that public authority quickly overextended it-

self and, before long, in some of the states, the cost of servicing the debts incurred, exceeded the total annual fiscal resources.

Railroads. Frequently, early railroad building received its impetus from the same source. Many of America's first railroads were heavily subsidized by public authority—as in the case of the Baltimore and Ohio in Maryland—or built entirely by public funds—as in the case of the Michigan Central Railroad. America's credit was good and European capital flowed eagerly into the country to finance these state projects. In 1820, American states were free of debt; by 1838—to build canals, roads, and railroads, and to finance land mortgage banks—their indebtedness stood at close to $200,000,000. This was a speculative bubble, obviously, although Europeans had invested in good faith; and it collapsed in the panic of 1837. Land jobbing, as has been pointed out, had contributed its share to the boom, as had the unhealthy financial activities of state-chartered banks, those of the West and South in particular.

Many of the Southern and Western states were compelled to default on interest payments or to repudiate their obligations outright. In all, foreign investors lost $40,000,000 in America and so outraged were they that European capital stayed away from our shores for almost a generation. This fact, together with the simultaneous decline of the China trade, led to hard times in the commercial centers of the country for half a decade. By the middle 1840s America was once more prospering: now the railroad age really had its beginnings. The early short lines were rebuilt and linked into systems; New England capital invested heavily in Michigan and Illinois railroads; and by 1850 the United States could boast of 9,000 miles of track.

The Workers. Because the American economy was still by and large at a preindustrial level—the businessman was a merchant, banker, and speculator all rolled into one—the American worker was not yet a factory hand. He was a skilled mechanic or journeyman in the employ of a fellow artisan, looking forward to the time when he could set up his own small shop; he was a country cottage worker supplementing agricultural income; he labored in a country forge or mill—and then went West as a squatter or tenant. Permanence in the laboring status had not yet appeared. There was too much fluidity in American society, capital units were still too small, there was an absence of integration and concentration; with the result that, by and large, a class-consciousness was still absent. If anything, the worker regarded himself as a member of the middle class, psychologically and functionally. And such associational programs as he participated in were usually directed toward narrowing the gap between employer-artisan and journeyman-artisan rather than proclaiming the unbridgeable gulf between classes. The doctrine of the class struggle did not appear in America until the 1850s; and even then it was brought in by German immigrants.

This is not to say that there were no working-class organizations and working-class programs. These came and went; but they ended by being essentially lower middle class. As early as the 1790s societies of journeymen shoemakers, printers, carpenters, and tailors had made their appearance. They had been formed on a local basis to protest against the extension of apprenticeship and to demand minimum wages and a ten-hour day. There were strikes; participants were blacklisted; and criminal actions were started against leaders.

In the late 1820s, more ambitious projects appeared. In New York and in Philadelphia, skilled artisans and some urban homeworkers pooled their strength and formed unions of trade associations. A Workingmen's party made its appearance in Philadelphia in 1828 and one was formed in New York in 1829; and their demands reflect the mixed and somewhat confused condition of their membership. Their programs called for the end of imprisonment for debt, the militia system, and the conspiracy laws; the enactment of mechanics' lien laws; and the establishment of a public education

system. Attacks were made on "monopolies," notably the banks, but this is because they feared an undue control over credit. In short, this was an agitation directed by the smaller producers against the larger ones.

Thomas Skidmore, one of the leaders of the New York party, was in reality an agrarian; to him, the only road to emancipation was the return to the land and its communal operation. He therefore demanded the calling of a constitutional convention which would abolish all debts and all property titles. Another group, led by Robert Dale Owen and Frances Wright, saw in free education "the only effectual remedy for this and for almost every species of injustice." These workingmen's parties did not survive beyond 1833.

Embryonic trade unions did make their appearance in the early 1830s and were combined into city central councils. There were such bodies in New York, Philadelphia, Boston, Baltimore, Newark, Albany, Troy, Pittsburgh, Cincinnati and Louisville. Here were gathered spokesmen for the journeymen-artisans of the day—the shoemakers, tailors, hatters, bakers, printers, and the like—who used the strike weapon for the ten-hour day and higher wages. These industrial disputes were carried on violently and as a rule unsuccessfully. One of the casualties of the hard times following 1837, they virtually disappeared everywhere throughout the country. Organization and strikes also took place in the cotton textile centers, where real factory workers in the modern sense were making their appearance. Their achievements were no more permanent than those of the city artisans.

Nothing reveals more clearly the continued middle-class orientation of leadership and following of these early city craft groups than their general demands. They endorsed producers' cooperation; sometimes (following the American anarchist Warren and the French anarchist Proudhon) they sought the establishment of labor-exchange banks; they wanted freer entry into the public domain for preemptioners and homesteaders; and they clamored for free education.

These are some of the characteristics of a period and a people that listened earnestly and responded quickly to the equalitarian preachments of Jacksonian Democracy.

3. *LEVELING TENDENCIES*

The Rise of Democracy. Those leveling tendencies—always a characteristic of America and a part of its English heritage—that played so prominent a role in the Revolutionary period, were for a brief time suppressed. Under the leadership of the Federalists, aristocratic views prevailed: the aspirations and needs of the common man were lost sight of. But Independency was too strong a trait to be easily suppressed, and in a land where opportunity existed on every hand it was impossible to perpetuate privilege or to check equalitarianism.

Many factors contributed to the rise of the common man in the 1830s. American nationalism had emerged unscathed from its first great trial, that of the Napoleonic Wars and the ensuing European reaction. The American was no longer a citizen of the world but a citizen of the United States, and he took pride in its accomplishments and its future. His eyes increasingly were turned Westward, and on every side he saw outlets for his energy and enterprise, and security if not a fortune as his reward. The expansion of the continental domain fed this hope: as miner, riverman, farmer, trader, the American could achieve economic success. The same was true of mercantile pursuits: only small capitals were necessary to begin an enterprise; a single trading voyage was enough to lay the foundations for a fortune; wealth grew with the country.

Americans took along with them into the West the great tradition of the public schools. Where every man could receive an education it was idle to assume that there was a natural inequality of talent. The little white church, the little red schoolhouse, the quarter-section preemption—these were the mainsprings that fed American equalitarianism. Equal political and civil rights had to follow as a matter of course.

The thirties saw the final triumph of political equalitarianism: for the tone of American society was set by the small independent farmers and the middle-class traders and merchants who came from the ranks of the American yeomanry. The first victories were won in the states, just as the first abortive attempts to establish democracy had occurred in the states during 1776–83. In 1791, Vermont had entered the Union with a constitution guaranteeing universal manhood suffrage; new Western states followed suit. In Maryland in 1809, in Connecticut in 1818, in Massachusetts in 1820, in New York in 1821, new state constitutions were incorporating those basic guaranties of democratic government—manhood suffrage, popularly elected judges, equality of representation, and removal of religious disabilities. And with these went the institutional devices of "rotation of office" (short elective terms) and "the spoils of office." In this way, a bureaucracy would be nipped in the bud. Only the Southern states lagged behind. It was not until the fifties that most of them had enfranchised all their male adult whites.

Andrew Jackson personified the democratic hope; he did not produce it. Jackson was a passionate equalitarian, as were most Americans of his generation. But Jackson, in the true sense, was a popular leader. He knew the aspirations of the American people; he distrusted, along with most of them, wealth based on speculation and privilege; and his utterances and prejudices were those of his times. The Democratic party was created as an instrument to express the needs and articulate the programs of a middle-class America already on the march.

Political Parties. With the disappearance of the Federalists from the political scene, for almost a whole generation the "Virginia dynasty" dominated American political life. James Madison had succeeded Thomas Jefferson for two terms and he in turn was followed by James Monroe for another two terms. The Republicans had spread their influence into the states, as has been seen, and had been notably successful in attracting the support of the newly arrived immigrants, particularly the Irish. Political machines appeared in the urban centers and in some of the states, considerably before they emerged as institutional devices in national politics.

The election of 1824 marked a turning point in American political history. The Revolutionary generation was largely dead and new names and leaders were now in the forefront; too, political campaigns had become popular contests—with that same slurring over of fundamental issues that was to continue a characteristic of American political life. In 1828, in 1860, in 1896, in 1912, and in 1932 lines were clearly drawn and class hostilities openly emerged; elections in those years resulted in sharp changes in orientation and policy. But these were exceptions. Normally, the United States was too large and its sectional interests too diverse to permit the unequivocal phrasing of differences. People voted their loyalties and prejudices rather than for or against an integrated program.

In 1824, there were four candidates for the Presidency, all of whom had been born after the French and Indian War was over. They were Andrew Jackson of Tennessee, W. H. Crawford of Georgia, Henry Clay of Kentucky, and John Quincy Adams of Massachusetts. None of them adopted a party designation and all presumably were Republicans, but before long significant differences were to emerge and new party alignments were to take place. Because none of the candidates received

a majority in the electoral college, the election was thrown into the House of Representatives. Adams, with the help of Clay, finally won, thus leading to a life-long enmity between Clay and Jackson.

Adams, like his father before him, was incapable of appealing to the imagination of the populace. Although a Republican, he accepted many Hamiltonian ideas, notably those relating to fiscal policy and protectionism. The Tariff of 1828, passed during his administration, was to lead to serious consequences—as we shall see—and end in the first challenging of the power of the national government. In any case, his administration, like that of Herbert Hoover's a century later, was simply a preparation for the election campaign that was to follow.

Andrew Jackson, a wealthy planter, and long a popular hero as a result of his victory over the British at New Orleans, had now become transformed into a popular leader. He had taken no position on protectionism, internal improvements, and the Bank of the United States; on the other hand, it was known that he stood for a weak central government and was hostile to "monopoly." Around him clustered all those dissidents—Western agrarians, Eastern reformers, anti-British agitators, anti-Bank men, anti-land jobbers—who saw in him the tribune of the people. Jackson was named for the Presidency by these groups and not by a Congressional caucus, which had been the previous vehicle for selecting candidates, or by a nominating convention. In 1828, then, Jackson—under the slogan "Equal rights for all, special privileges for none"—ran against Adams, and so profound was the "anti-aristocratic" sentiment that Jackson carried the election by an electoral vote of 178 to 83. He triumphed in every state south of the Potomac and west of the Alleghenies, dividing with Adams the votes of New York, Maine, and Maryland.

The first nominating convention was to appear in 1831 when the Anti-Masons and, more important, the National Republicans, or Whigs, selected candidates in this fashion. In 1832 the Jacksonian Republicans (they did not assume the name of Democrats until almost ten years later) did similarly. In other words, by 1840 there were two great national parties, the Whigs and the Democrats; and after 1860, the two parties of the Republicans and the Democrats.

The Whigs. In certain measure, the Whigs, led by Henry Clay of Kentucky and Daniel Webster of Massachusetts, were the lineal descendants of the Federalists, just as the Republicans of today became in turn the Whigs' successors. This is only generally true, however. Federalism and Whiggism had started out by championing a powerful central government and speaking for large business interests. Jeffersonian and Jacksonian Republicanism had taken the opposite stand, but by the late forties the Democracy (the successor of Republicanism) was linked with the slave system. Today, the Democracy—reverting to the class interests of Jacksonianism—is the consistent supporter of a strong national government. The Republican party of 1860 represented both business interests and equalitarian aspirations, and it followed the lead of Federalists and Whigs in calling for governmental intervention. Today, in one way, it is Jacksonian: liberty can be preserved only if the central government is weak.

What did the Whiggism of Clay and Webster—and later of Horace Greeley of New York, Alexander H. Stephens of Georgia, and Abraham Lincoln of Illinois—stand for? This, largely: protectionism for rising Eastern industry; internal improvements for the West; the continued existence of governmental debt; and the maintenance of a central Bank to facilitate government financing and to protect the uniformity of the currency. Clay called this the "American System." It was a class program to the extent that it articulated the interests of large property groups; it was a national program to the extent that it offered—through

protectionism and internal improvements—higher standards of living for all Americans and expanding economic opportunities for the middle class. Edward Everett, an outstanding Whig, said in 1838: "The wheel of fortune is in constant operation, and the poor in one generation furnish the rich of the next."

Decline of Jacksonianism. Jackson had built up a machine powerful enough to make possible the election of his successor Martin Van Buren of New York in 1836. Van Buren, too, was an equalitarian, but Jackson's mantle was too large and too heavy for him. He had been schooled in the politics of subterfuge and intrigue; and the American people quickly wearied of him. The Whigs, in 1840, elected a military hero, William Henry Harrison, who died after a month in office and was succeeded by Vice President John Tyler of Virginia. In 1844, the Democrats elected another Jacksonian, James K. Polk of Tennessee, but by this time the strain had become thin. The best Polk could do to keep his party united was to engage in the Mexican War—which was popular in the South and bitterly opposed in the North.

Indeed, by the late forties, the Jacksonian party was finished. The Southern planters—fearful for the slave institution—had become uncomfortable in it and had joined the Whigs; the urban Northerners were content to control their local machines and live out of the fleshpots of municipal contracts and graft. The Democracy, itself, was complacent about slavery. But Jacksonianism had left its permanent influence on the American tradition; curiously enough, the early Republicans of the sixties were to carry on under the same banner. This was the doctrine of Equality. As Alexis de Tocqueville had put it, when he had visited America in the thirties: "Nothing struck me more forcibly than the general equality of conditions among the people. I readily discovered the prodigious influence which this primary fact exercises on the whole course of society; it gives a peculiar direction to public opinion and a peculiar trend to the laws; it imparts new maxims to the governing authorities and peculiar habits to the governed."

4. PROBLEMS OF THE EIGHTEEN THIRTIES

States' Rights. Jackson did not have plain sailing, even within his own group of the Republicans, during his first administration. In the contest of 1828 he had been supported by John C. Calhoun of South Carolina—originally a nationalist and a protectionist—who was increasingly throwing in his lot with the slave and cotton interests of his own state; and Calhoun had been rewarded with the Vice Presidency. Calhoun looked on this office as a stepping stone to the Presidency and began to lay his plans accordingly. This ambition, together with the animosities engendered over the Peggy O'Neill affair (whose flames the wily Van Buren kept alive) and the fundamental difference in the political philosophies of the two men, threatened to wreck the Jacksonian party and even involve the country in its ruin.

Calhoun had moved over increasingly to the philosophy of states' rights. To make his position effective politically—for a party based on slavery and free trade could have no more than a sectional following—he sought to cultivate the support of the free and agrarian West. The binding elements in the amalgam were to be internal improvements and a generous public-land policy. Calhoun's intentions—and his underlying purpose—were exposed in the famous debates over the Foote Resolutions. Senator Foote of Connecticut, in 1829, had introduced a proposal looking to the limiting of the sale of the public lands to those already on the market. Benton of Missouri, for the Westerners, had been quick to oppose; and

he had found unexpected support in Robert Y. Haynes of South Carolina—one of Calhoun's followers.

Haynes spoke on the Foote Resolution, proposed a political and economic alliance between South and West, and then, warming to his theme, denounced New England as the enemy of the agrarian sections of the country. The country could endure only on the basis of states' rights; the Constitution was a compact between equals. Webster replied to Haynes; there was a rejoinder and a second reply; and the issue was now unmasked. The Southerners were claiming the right of nullification; the Northerners that the Union—because it was "made for the people, made by the people, and answerable to the people"—was indissoluble.

Jackson now entered the contest. A Jeffersonian ideologically he was nevertheless a nationalist politically. He and Calhoun met head on at the annual Jefferson birthday dinner on April 13, 1830, when, in reply to the toast "The Union," Jackson declared: "The Union, it must be preserved." And Calhoun, accepting the challenge, recited: "The Union, next to our liberty, most dear. May we all remember that it can only be preserved by respecting the rights of the States and distributing equally the benefits and the burdens of the Union."

Jackson had another opportunity to cut Calhoun's ground from under him. In May of the same year the Maysville bill came to his desk for his signature. The bill, in line with the generally accepted policy of federal aid for road building, called for federal subscription to the stock of a turnpike company building a twenty-mile road from Maysville to Lexington, entirely in the state of Kentucky. True, the Maysville Road was to join the Cumberland Road on the North and ultimately a post road running clear down to New Orleans. Jackson vetoed the bill on Constitutional grounds, but equally to put a stop to the use of national funds for internal improvements. Calhoun was antagonized; and Clay had another reason, two years later, for quitting the Republican party.

Tariffs and Nullification. In 1816, to save the country from the dumping of English goods in our markets—now that the Napoleonic Wars were over—and to protect the infant cotton textile industry of New England, Congress passed the first American protective tariff act, with schedules averaging about 20 percent. Tariff tinkering took place again in 1824 and once more in 1828—and this time the duties were so high (the average annual collections on all dutiable products came to 49 percent) that the law was commonly known as the "Tariff of Abominations." When, in 1832, under Clay's leadership, the House proceeded to modify somewhat but not change fundamentally the schedules of 1828, South Carolina—long bitter about the "Tariff of Abominations"—adopted a bold course. It formally enunciated the doctrine of nullification. Immediately after Jackson had signed the act of 1832, the members of Congress from South Carolina (with the knowledge and support of Calhoun) issued an address in which they proclaimed that "all hope of relief from Congress is irrevocably gone." A state election followed; the States' Rights party won; and a convention was called which passed an Ordinance of Nullification declaring the Tariff Law of 1828 (and that of 1832, too) null and void as far as South Carolina was concerned. Measures of coercion by the Federal government would be regarded as being "inconsistent with the longer continuance of South Carolina in the Union."

Jackson was not to be intimidated. On December 10, 1832, he issued his Nullification Proclamation. Said he: "I consider the power to annul a law of the United States, assumed by one state, incompatible with the existence of the Union, contradicted expressly by the letter of the Constitution, unauthorized by its spirit, inconsistent with every principle upon which it is founded, and destructive of the great object for which it was formed." A month later he called upon Congress to pass a Force bill permitting the President to use the army and navy to execute federal law in South

Carolina. But he also asked Congress to pass a tariff bill that would protect only those industries required for national defense.

Clay, desirous of preserving his Southern following, took the lead in the drafting of a compromise tariff bill. In March, 1833, Congress gave Jackson his Force bill but on the same day it also passed Clay's Compromise Tariff bill of 1833. This provided for the reduction, over a nine-year period, of all duties until the maximum of 20 percent was reached in 1842. South Carolina proceeded to repeal its Ordinance of Nullification. But the doctrine did not die and in 1860—with disastrous results—was actually invoked.

The Bank Controversy. On the tariff question, Jackson did not appear as the spokesman for a class interest, but in the bank controversy, he did. Class lines were now sharply drawn. Americans had had little training in banking as a people—there had been no commercial banks at all in colonial America—and frequently they tended to be suspicious of such institutions. Banks were largely regarded and valued as agencies for note issue and not as agencies for the discounting of commercial paper; and often, the process of note issue was simply associated with the furtherance of speculation, particularly in the case of land jobbing. In the West and South, therefore, by and large, state-chartered banks were favored and no effort was made to scrutinize their operations closely: these sections, in other words, were not unfriendly to an easy-money, or soft-money, policy. In the East, on the other hand, because economic relations there were more settled, businessmen, small producers, and artisans tended to favor hard money. An unrestrained currency made impossible the orderly collection of debts, disorganized prices, and encouraged undesirable speculative expansions. It was, finally, the foundation of the power of the commercial aristocracy.

Banks in the United States. State-chartered banks had continued to grow: from 3 in 1789 to 330 in 1830. By the middle thirties, they were responsible for $150,000,000 in notes in circulation and $130,000,000 in deposits, against which there was a specie cover of $40,000,000. Because banknotes and not deposits were the outstanding liabilities, such state legislation as existed (notably in New York and New England, although Louisiana, too, scrutinized its banks closely) concerned itself only with the protection of note holders. New York in 1829 and again in 1838—under its so-called free-banking system—permitted any group to establish a bank so long as it kept on deposit in a safety fund with the state comptroller adequate securities to cover the bank notes issued. Similarly, in New England—where all banks were directly chartered—a voluntary system sprang up, the so-called Suffolk System, under which country banks kept on deposit with the Suffolk Bank of Boston a sum large enough to assure the exchange of their notes for specie. In this way, the quality of the currency in circulation was assured. It is to be noted, however, that such deposits did not actually constitute reserves and their holders did not treat them as such; they were therefore never used to meet banking emergencies. And, in the second place, there was no agency to perform the rediscount function and thus there were no central controls anywhere over loans and note issues.

This was primitive banking, of course: there can be no question that the panics of 1819, 1837, 1857 and the hard times which followed were intensified by the absence of central-banking measures. When the Second Bank of the United States sought to develop devices for making the banking function somewhat more orderly—and when it became more powerful—it at once became the focus of attack. We must read the animus toward the Bank largely in these terms: that is to say, it was being feared as a "monopoly." In the West and South, it was being attacked by the soft-money men who did not like the closeness with which it scrutinized the activities of state banks; here, presumably, its activities were regarded as deflationary. In the East, it was being attacked by the hard-money men because of its discount

and note-issue business; and here its activities were regarded as inflationary. Jackson and Benton, who, while Westerners, were hard-money men, bound both interests together by raising the cry—largely a demagogic one—of "monopoly." Thus the Bank was doomed and its disappearance, after 1836, eliminated the only agency which might have had an influence on the sharp swings of booms and depressions in the country's business life.

The Second Bank of the United States. The Second Bank had been chartered in 1816 for twenty years and was capitalized at $35,000,000, with the Federal government having the right to acquire one fifth of its stock. It might establish branches. The Bank was to handle government deposits and to act as its collecting and disbursing agent; for its part, the government pledged itself to accept as legal tender only specie, Treasury notes, notes of the Bank, and notes of such banks as were on a specie basis. The Bank might issue bank notes—up to the limits of its capitalization and deposits, which really meant no limits at all, particularly after it began in 1827 to issue "branch drafts." It could not purchase state or municipal bonds. And it was forbidden to "trade in anything except bills of exchange, gold or silver bullion, or in the sale of goods really or truly pledged for money lent and not redeemed in due time, or the goods which shall be the proceeds of its land."

When Nicholas Biddle of Philadelphia became the Bank's president in 1823 it was a relatively unimportant institution. But the next decade was one of great economic expansion. Biddle was an ambitious and resourceful businessman, and the Bank grew in influence and power. Note issue was increased; branch banks were opened all over the country; large dealings in domestic exchange were undertaken so that the flow of funds was facilitated into every region; and specie payments were demanded of state banks when their trustworthiness was in question. Always excepting the rediscount function, this was not much unlike central banking.

The Attack on the Bank. Such a program was calculated to make enemies—particularly when the expansion and contraction of the dealings in domestic exchange ran counter to the interests of land jobbers; and when the insistence upon redemption of state bank notes threatened the wildcat banks of the South and West. Moreover, Biddle was impolitic: to him, the Bank was above the law and outside of political control. And when Jackson turned on the Bank—because he feared all banks and because Biddle was a National Republican (or Whig) and a friend of Clay—he was able to assemble a powerful and motley opposition. It was made up of Western and Southern debtors and land speculators (soft-money men), Eastern small producers and artisans (hard-money men), and Eastern state bankers—along with their pamphleteering defenders—who were jealous of Biddle and hoped by his downfall to get the government deposits.

Biddle had opposed Jackson in 1828 and Jackson apparently had not forgotten, for in repeated messages to Congress he raised the question of the Bank's constitutionality and, in fact, desirability. Committees of both Houses then proceeded to investigate the Bank. They gave it a clean bill of health, but in 1831 Jackson once more returned to the attack and called upon the electorate to decide whether the Bank was to continue. Meanwhile, Biddle was seeking to placate Jackson by naming Jackson men to the directorates of the Bank's branches and he also lent freely on the notes of Congressmen. Clay, however, scented an issue: Jackson might be defeated in 1832 on the question of the Bank. He therefore persuaded Biddle to permit the introduction of a bill for the Bank's recharter in 1832 (four years before it was to run out); the bill was passed in both Houses; and Jackson proceeded to veto it and issue his famous Veto Message. It was a remarkable political (and not an economic) document. As Jackson's Attorney General, Roger B. Taney, put it, it claimed that the Bank was at one and the same time a monopoly, and unnecessary, inexpedient, unconstitutional, and

injurious to the country. The message appealed to the state banks, to debtors, to artisans and workers, and to the antiforeigners. "It is easy to conceive," said Jackson, "that great evils in our country might flow from such concentration of power in the hands of a few men irresponsible to the people." As "monopoly" power, therefore, it threatened the lives and security of little men everywhere. The Bank was "the money monster."

This was the issue of the 1832 election campaign and on it Jackson defeated Clay by an electoral vote of 219 to 49. Jackson proceeded to his revenge at once and sought to withdraw the government deposits from the Bank. He had difficulty in finding a compliant secretary of the Treasury ready to authorize the step; at last Roger B. Taney was willing and accepted the post; and before long the government funds were on deposit in 23 "pet" state banks. The Senate proceeded to censure Jackson but Jackson had won and the Bank was destroyed.

Wildcat Banking. There followed an era of wildcat banking that only further encouraged the speculative elements in the country. State banks, particularly in the South and West, sprang up like weeds, and because their chief business was that of note issue and because they were permitted to circulate notes against stocks and bonds (often worthless or selling at heavy discounts) the country was defenseless. Inflation, fraud, and counterfeiting were common. This state of affairs was thus described by a contemporary:

> In the West, the people have suffered for years from the issues of almost every state in the Union, much of which is irredeemable, so insecure and so unpopular as to be known by opprobrious names. . . . There the frequently worthless issues of the State of Maine, the shinplasters of Michigan, the wildcats of Georgia, of Canada and Pennsylvania, the red dogs of Indiana and Nebraska, the miserably engraved notes of North Carolina, Kentucky, Missouri and Virginia and the not-to-be-forgotten stumptails of Illinois and Wisconsin are mixed indiscriminately with the par currency of New York and Boston.

It was not until 1863, when the National Banking Act was passed, that some order appeared; but not really until 1913, when the Federal Reserve Act was passed, that the United States finally obtained a central banking system.

The Panic of 1837. Instead of curbing speculation and clipping the wings of the commercial aristocracy, Jackson's acts encouraged the first and strengthened the second. There followed four years of runaway boom, notably in land jobbing, and, ironically enough, this tendency was fostered by the "pet" banks. The resources of these state banks were swelled by government deposits. Land speculators had no trouble obtaining loans; the bank notes thus received were paid out to the federal land offices, redeposited in the banks, and loaned out again, often to the same land jobber. Thus a pyramiding of credit took place—and prices everywhere shot up. The extravagant programs of public works expansion, embarked upon by the Western and Southern states, further jeopardized the stability of the American economy.

Jackson tried to halt the inflation through the issuance of the Specie Circular of July, 1836, which called for the payment for public lands in hard money. But this was the straw that broke the camel's back. Commercial failures in Great Britain, leading to a demand for the settlement of American balances; the insecure position of those states which had tried to build their prosperity on bond issues; the pressures everywhere on banks, which, in fact, discovered they had never been liquid, these were at the basis of the panic of 1837. The panic was essentially commercial and largely due to speculative overinvestment; but in the urban centers hard times did follow. From 1837 to 1843 prices dropped by 25 percent.

The career of debt defaults and repudiations which many of the American states embarked upon at this time did not help American credit abroad. Between 1840 and 1845, nine states ceased payment of interest on their bonded indebtednesses: Maryland, Illinois, Indiana, Michigan, Mississippi, Louisiana, Ar-

kansas, Florida; and Pennsylvania; furthermore, four of them repudiated parts or the whole of their obligations. Interest payments, by 1847, were resumed, but English investors continued to keep shy of American securities for a long time. In fact, as late as 1859, in commenting on the low prices at which American rails were being quoted in England, a London journal was able to say: "The reason is that we do not like American things. We have not that confidence in them which their intrinsic merit warrants." Undoubtedly, the failure of European relief to appear in our money markets prolonged the depression, whose clouds did not lift until 1843.

Locofocoism. A characteristic manifestation of the times was the emergence of Locofocoism, which started out as an offshoot of the New York City Tammany Society. Appearing before the depression and demanding equal rights (their platform consisted of the Bible and the Declaration of Independence), the Locofocos were able to spread their influence into the New York Democracy and out into the Northwest as a result of the hard times. They were antimonopoly and against all banks, and were for hard money and the rigorous limitation of state debts. So deeply did they penetrate the Democratic party, particularly during Van Buren's administration, that in many sections of the country the Democracy and Locofocoism were synonymous.

The Locofocos were not above violence; breaking into warehouses and riots were fomented by them. A rural counterpart called the Barnburners opposed further canal construction in New York because of the heavy burden of taxation that resulted. The Barnburners, like the Locofocos, were equalitarians and many carried on later as Liberty men, Free Soilers, and Free Democrats. These were the persons who furnished the Abolitionist leaven of the Republican party. With the end of the depression, however, their direct influence was largely spent; and by 1844, the Democratic party was the party of slavery. In fact, in that year the Southern Democrats kept out of the national platform a plank renewing the party's pledge to the support of the Declaration of Independence.

5. *AMERICAN EXPANSION*

Louisiana Territory. By the Peace of Paris of 1783 America was ceded all the territories up to the eastern bank of the Mississippi. Spain remained in possession of the Louisiana Territory stretching westward from the Mississippi over a vast region, and of course retained New Orleans. In 1801 Spain returned Louisiana to France and the United States, fearful that the aggressive Napoleon would close the Mississippi's navigation to American boats. At the same time Spain began to negotiate for the acquisition of the Floridas, the right of deposit at New Orleans, and the granting of sites on the banks of the Mississippi. Much to Jefferson's surprise, in 1803 France offered to sell the whole Louisiana Territory. A bargain was quickly struck—without Constitutional warrant or Congressional authorization—the price being set at $15,000,000. Thus the land area of the United States was doubled.

The processes of exploration of the new possession began at once. In 1804 Jefferson ordered Meriwether Lewis and William Clark to search for an overland route to the Pacific and to make a study of the territory's resources. Starting from St. Louis, the party proceeded up the Missouri, struck out across the mountains to the headwaters of the Columbia river, and thence made its way to the sea. It returned safely to St. Louis in 1806, having covered more than 8,000 miles in a little more than two years. The report of the Lewis-Clark expedition whetted the appetites of Americans for land, furs, and minerals, and soon hardy pio-

neers were crossing the prairies and penetrating into the Great Plains. Starting at about the same time, Zebulon Pike led another expedition northward to survey the northern valley of the Mississippi; upon his return, he was sent into the Southwest, and before long the region up to the Rio Grande was made known to Americans. Louisiana became a state in 1812.

Florida. In their original instructions, Monroe and Livingston had been ordered to acquire the Floridas. They assumed that that territory was included in the Louisiana Purchase, and so did Jefferson. Not so the Spaniards, however, and with them the French agreed. Despite this, the United States proceeded to join West Florida as a customs district to the Louisiana Territory. American settlers moved in, as did runaway slaves; and unofficial war raged in the region for many years against the Spanish and the pirates who made the area their headquarters. From then on until 1819 Washington—pushed by Southern expansionists—could not keep its eyes off the region. In 1813, West Florida was annexed by Mississippi Territory. Jackson invaded East Florida in 1814, to keep it out of English hands, and again in 1818, this time to put down the Seminole Indians. Finally in 1819, the Spanish government, incapable of policing the country or of keeping the Americans out, gave up the unequal struggle and agreed to sell. Under the Florida Purchase, Spain surrendered for $5,000,000 all claims to the territory east of the Mississippi; we, on our part, surrendered all claims to the Texas region. The Senate withheld ratification for two years—there were many who refused "to trade Texas for Florida"—and then finally gave in. Florida became a state in 1845.

Texas. Spain's hope of saving Texas for her crumbling empire in the New World was destined to be short-lived. In 1821 Mexico revolted successfully, and now the Southwest—whose boundaries had not been clearly defined by the Louisiana Purchase—became a focus of interest to Americans. At first, Mexico was not unfriendly. The vast Texas country was virtually uninhabited—there were perhaps fewer Indians than the 4,000 whites in it—and Mexico saw no objection to American traders, drovers, and farmers colonizing a region whose resources Mexico itself was incapable of tapping. Therefore it threw the territory open to immigrants and offered Moses Austin of Connecticut large land cessions if he could bring in settlers. Austin's son, Stephen F. Austin, pushed the project vigorously and by 1830 some 20,000 Americans were to be found in Texas.

On the open range it was inevitable that American and Mexican ranchers should have difficulties. Trouble also arose with the distant Mexican government over taxation, customs duties, and the bringing of slaves into the territory. Moreover, the Americans were by this time agitating for home rule. Mexico, alarmed by the rising number of the foreigners and their aggressiveness, in 1830 put a stop to land cessions, tried to abolish slavery, and closed the frontiers to further immigration. The Americans, meeting in convention, asked for a stay of the restrictive laws; in 1833, they met again and wrote a constitution for a virtually autonomous state. The differences could not be reconciled; brushes between armed partics took place—with Mexican liberals giving the Americans their support—and in 1836 a provisional government of Texas was established.

A Mexican army was sent in and defeated the Americans at the Alamo but was itself defeated at San Jacinto. The Americans proceeded to ratify their constitution, proclaiming the Republic of Texas, legalized slavery, and sought admission into the United States. Washington, in 1837, settled for recognition of the new republic. By this time, the fear of the spread of slavery was beginning to stir in many Northerners; and this opposition, along with Van Buren's own hostility to slavery, prevented the annexation of Texas. Finally, in 1844, a treaty for annexation was concluded and submitted to the Senate. The treaty was rejected, and it was not until the next year that Texas became a part of the United States by joint resolution of both Houses. But the

United States was to fight a war with Mexico before the boundaries of Texas were to be permanently fixed.

Meanwhile Americans were on the march. Every year, by the tens of thousands, parties of immigrants—for the most part made up of families seeking new homes in the West, but not infrequently including adventurers and desperadoes—pushed into the prairies and the plains. They put up crude dwellings, of wood where that was to be obtained, of sod, if nothing else offered. They broke the tough prairie soil. They planted wheat in the North and hemp, cotton, and corn in the South. They prospered with the country, and before long churches, schools, and all the other amenities of a settled life were appearing. High American standards of living followed the settlers as America pursued its "manifest destiny" to the Western sea.

THE AMERICAN MIND

RALPH WALDO EMERSON

IN THE SECOND QUARTER of the nineteenth century there appeared a group of thinkers in America who were to express their confidence in man's capacity to realize his destiny. They shook off the restraints of traditional religion, denied the ability of empiricism to penetrate to the heart of reality, and challenged existing institutions. They believed, with the Puritans, that the world had a moral purpose. They were Platonists in the sense that they agreed that the universe is the expression of mind. They were Romanticists because they preached the goodness, in fact the divinity, of man. These men—they were largely New Englanders and they created Unitarianism—called themselves Transcendentalists. In their company were to be found William Ellery Channing, Theodore Parker and—the greatest of all of them—Ralph Waldo Emerson.

Parker had sought to catch the spirit of the new creed in these words: "The problem of transcendental philosophy is no less than this, to revise the experience of mankind and try its teachings by the nature of mankind; to test ethics by conscience, science by reason; to try the creeds of the churches, the constitutions of the states, by the constitution of the universe; to reverse what is wrong, supply what is wanting, and commend the just."

This dual belief in the divinity of man and the moral purpose of the world made the Transcendentalists humanitarians. They were appalled by the evil—injustice, inequality, squalor—in the world and they spoke out against it. They were defenders of peace, women's rights, and, above all, of the Negro. Their idealism, notably in the cause of Abolitionism, gives the lie to the assertion that Americans have always been a practical people.

This confidence in the morality of nature and the goodness of man is Emerson's theme in his first published work, *Nature* (Boston, 1836). Ralph Waldo Emerson (1803–1882) graduated from Harvard at 18 and also attended its Divinity School. In 1829, he became the minister of Boston's Old North Church but he quit his pulpit a year later and moved to Concord, where he spent the rest of his life. He wrote poems, essays and addresses—never a systematic philosophical work—and he concerned himself constantly with the ideas outlined in his first essay. As he said later in *The Poet:* "The moral law lies at the center of nature and radiates to the circumference. . . . Every animal function . . . shall . . . echo the Ten Commandments." Man, therefore, also is divine, and in his freedom and creativeness he realizes himself.

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Nature

BY RALPH WALDO EMERSON

CHAPTER I

TO GO INTO solitude, a man needs to retire as much from his chamber as from society. I am not solitary whilst I read and write, though nobody is with me. But if a man would be alone, let him look at the stars. The rays that come from those heavenly worlds, will separate between him and what he touches. One might think the atmosphere was made transparent with this design, to give man, in the heavenly bodies, the perpetual presence of the sublime. Seen in the streets of cities, how great

they are! If the stars should appear one night in a thousand years, how would men believe and adore; and preserve for many generations the remembrance of the city of God which had been shown! But every night come out these envoys of beauty, and light the universe with their admonishing smile.

The stars awaken a certain reverence, because though always present, they are inaccessible; but all natural objects make a kindred impression, when the mind is open to their influence. Nature never wears a mean appearance. Neither does the wisest man extort her secret, and lose his curiosity by finding out all her perfection. Nature never became a toy to a wise spirit. The flowers, the animals, the mountains, reflected the wisdom of his best hour, as much as they had delighted the simplicity of his childhood.

When we speak of nature in this manner, we have a distinct but most poetical sense in the mind. We mean the integrity of impression made by manifold natural objects. It is this which distinguishes the stick of timber of the wood-cutter, from the tree of the poet. The charming landscape which I saw this morning, is indubitably made up of some twenty or thirty farms. Miller owns this field, Locke that, and Manning the woodland beyond. But none of them owns the landscape. There is a property in the horizon which no man has but he whose eye can integrate all the parts, that is, the poet. This is the best part of these men's farms, yet to this their warranty-deeds give no title.

To speak truly, few adult persons can see nature. Most persons do not see the sun. At least they have a very superficial seeing. The sun illuminates only the eye of the man, but shines into the eye and the heart of the child. The lover of nature is he whose inward and outward senses are still truly adjusted to each other; who has retained the spirit of infancy even into the era of manhood. His intercourse with heaven and earth, becomes part of his daily food. In the presence of nature, a wild delight runs through the man, in spite of real sorrows. Nature says,—he is my creature, and maugre all his impertinent griefs, he shall be glad with me. Not the sun or the summer alone, but every hour and season yields its tribute of delight; for every hour and change corresponds to and authorizes a different state of the mind, from breathless noon to grimmest midnight. Nature is a setting that fits equally well a comic or a mourning piece. In good health, the air is a cordial of incredible virtue. Crossing a bare common, in snow puddles, at twilight, under a clouded sky, without having in my thoughts any occurrence of special good fortune, I have enjoyed a perfect exhilaration. I am glad to the brink of fear. In the woods too, a man casts off his years, as the snake his slough, and at what period soever of life, is always a child. In the woods, is perpetual youth. Within these plantations of God, a decorum and sanctity reign, a perennial festival is dressed, and the guest sees not how he should tire of them in a thousand years. In the woods, we return to reason and faith. There I feel that nothing can befall me in life,—no disgrace, no calamity, (leaving me my eyes,) which nature cannot repair. Standing on the bare ground,—my head bathed by the blithe air, and uplifted into infinite space, —all mean egotism vanishes. I become a transparent eye-ball; I am nothing; I see all; the currents of the Universal Being circulate through me; I am part or particle of God. The name of the nearest friend sounds then foreign and accidental: to be brothers, to be acquaintances,—master or servant, is then a trifle and a disturbance. I am the lover of uncontained and immortal beauty. In the wilderness, I find something more dear and connate than in streets or villages. In the tranquil landscape, and especially in the distant line of the horizon, man beholds somewhat as beautiful as his own nature.

The greatest delight which the fields and woods minister, is the suggestion of an occult relation between man and the vegetable. I am not alone and unacknowledged. They nod to me, and I to them. The waving of the boughs in the storm, is new to me and old. It takes me by surprise, and yet is not unknown. Its effect is like that of a higher thought or a better emotion coming over me, when I deemed I was thinking justly or doing right.

Yet it is certain that the power to produce this delight, does not reside in nature, but in man, or in a harmony of both. It is necessary to use these pleasures with great temperance. For, nature is not always tricked in holiday attire, but the same scene which yesterday breathed perfume and glittered as for the frolic of the nymphs, is overspread with melancholy to-day. Nature always wears the colors of the spirit. To a man laboring under calamity, the heat of his own fire hath sadness in it. Then, there is a kind of contempt of the landscape felt by him who has just lost by death a dear friend. The sky is less grand as it shuts down over less worth in the population.

Chapter III: Beauty

A nobler want of man is served by nature, namely, the love of Beauty.

The ancient Greeks called the world χοσμος,

beauty. Such is the constitution of all things, or such the plastic power of the human eye, that the primary forms, as the sky, the mountain, the tree, the animal, give us a delight *in and for themselves;* a pleasure arising from outline, color, motion, and grouping. This seems partly owing to the eye itself. The eye is the best of artists. By the mutual action of its structure and of the laws of light, perspective is produced, which integrates every mass of objects, of what character soever, into a well colored and shaded globe, so that where the particular objects are mean and unaffecting, the landscape which they compose, is round and symmetrical. And as the eye is the best composer, so light is the first of painters. There is no object so foul that intense light will not make beautiful. And the stimulus it affords to the sense, and a sort of infinitude which it hath, like space and time, make all matter gay. Even the corpse has its own beauty. But besides this general grace diffused over nature, almost all the individual forms are agreeable to the eye, as is proved by our endless imitations of some of them, as the acorn, the grape, the pine-cone, the wheat-ear, the egg, the wings and forms of most birds, the lion's claw, the serpent, the butterfly, sea-shells, flames, clouds, buds, leaves, and the forms of many trees, as the palm.

For better consideration, we may distribute the aspects of Beauty in a threefold manner.

1. First, the simple perception of natural forms is a delight. The influence of the forms and actions in nature, is so needful to man, that, in its lowest functions, it seems to lie on the confines of commodity and beauty. To the body and mind which have been cramped by noxious work or company, nature is medicinal and restores their tone. The tradesman, the attorney comes out of the din and craft of the street, and sees the sky and the woods, and is a man again. In their eternal calm, he finds himself. The health of the eye seems to demand a horizon. We are never tired, so long as we can see far enough.

But in other hours, Nature satisfies by its loveliness, and without any mixture of corporeal benefit. I see the spectacle of morning from the hill-top over against my house, from day-break to sun-rise, with emotions which an angel might share. The long slender bars of cloud float like fishes in the sea of crimson light. From the earth as a shore, I look out into that silent sea. I seem to partake its rapid transformations: the active enchantment reaches my dust, and I dilate and conspire with the morning wind. How does Nature deify us with a few and cheap elements! Give me health and a day, and I will make the pomp of emperors ridiculous. The dawn is my Assyria; the sun-set and moon-rise my Paphos, and unimaginable realms of faerie; broad noon shall be my England of the senses and the understanding; the night shall be my Germany of mystic philosophy and dreams.

Not less excellent, except for our less susceptibility in the afternoon, was the charm, last evening, of a January sunset. The western clouds divided and subdivided themselves into pink flakes modulated with tints of unspeakable softness; and the air had so much life and sweetness, that it was a pain to come within doors. What was it that nature would say? Was there no meaning in the live repose of the valley behind the mill, and which Homer or Shakspeare could not re-form for me in words? The leafless trees become spires of flame in the sunset, with the blue east for their back-ground, and the stars of the dead calices of flowers, and every withered stem and stubble rimed with frost, contribute something to the mute music.

The inhabitants of cities suppose that the country landscape is pleasant only half the year. I pleased myself with the graces of the winter scenery, and believe that we are as much touched by it as by the genial influences of summer. To the attentive eye, each moment of the year has its own beauty, and in the same field, it beholds, every hour, a picture which was never seen before, and which shall never be seen again. The heavens change every moment, and reflect their glory or gloom on the plains beneath. The state of the crop in the surrounding farms alters the expression of the earth from week to week. The succession of native plants in the pastures and roadsides, which makes the silent clock by which time tells the summer hours, will make even the divisions of the day sensible to a keen observer. The tribes of birds and insects, like the plants punctual to their time, follow each other, and the year has room for all. By water-courses, the variety is greater. In July, the blue pontederia or pickerel-weed blooms in large beds in the shallow parts of our pleasant river, and swarms with yellow butterflies in continual motion. Art cannot rival this pomp of purple and gold. Indeed the river is a perpetual gala, and boasts each month a new ornament.

But this beauty of Nature which is seen and felt as beauty, is the least part. The shows of day, the dewy morning, the rainbow, mountains, orchards in blossom, stars, moonlight, shadows in still water, and the like, if too eagerly hunted, become shows merely, and mock us with their unreality. Go out of the house to see the moon,

and 'tis mere tinsel; it will not please as when its light shines upon your necessary journey. The beauty that shimmers in the yellow afternoons of October, who ever could clutch it? Go forth to find it, and it is gone: 'tis only a mirage as you look from the windows of diligence.

2. The presence of a higher, namely, of the spiritual element is esential to its perfection. The high and divine beauty which can be loved without effeminacy, is that which is found in combination with the human will. Beauty is the mark God sets upon virtue. Every natural action is graceful. Every heroic act is also decent, and causes the place and the bystanders to shine. We are taught by great actions that the universe is the property of every individual in it. Every rational creature has all nature for his dowry and estate. It is his, if he will. He may divest himself of it; he may creep into a corner, and abdicate his kingdom, as most men do, but he is entitled to the world by his constitution. In proportion to the energy of his thought and will, he takes up the world into himself. "All those things for which men plough, build, or sail, obey virtue;" said Sallust. "The winds and waves," said Gibbon, "are always on the side of the ablest navigators." So are the sun and moon and all the stars of heaven. When a noble act is done,—perchance in a scene of great natural beauty; when Leonidas and his three hundred martyrs consume one day in dying, and the sun and moon come each and look at them once in the steep defile of Thermopylæ; when Arnold Winkelried, in the high Alps, under the shadow of the avalanche, gathers in his side a sheaf of Austrian spears to break the line for his comrades; are not these heroes entitled to add the beauty of the scene to the beauty of the deed? When the bark of Columbus nears the shore of America;—before it, the beach lined with savages, fleeing out of all their huts of cane; the sea behind; and the purple mountains of the Indian Archipelago around, can we separate the man from the living picture? Does not the New World clothe his form with her palm-groves and savannahs as fit drapery? Ever does natural beauty steal in like air, and envelope great actions. When Sir Harry Vane was dragged up the Tower-hill, sitting on a sled, to suffer death, as the champion of the English laws, one of the multitude cried out to him, "You never sate on so glorious a seat." Charles II., to intimidate the citizens of London, caused the patriot Lord Russel to be drawn in an open coach, through the principal streets of the city, on his way to the scaffold. "But," his biographer says, "the multitude imagined they saw liberty and virtue sitting by his side." In private places, among sordid objects, an act of truth or heroism seems at once to draw to itself the sky as its temple, the sun as its candle. Nature stretcheth out her arms to embrace man, only let his thoughts be of equal greatness. Willingly does she follow his steps with the rose and the violet, and bend her lines of grandeur and grace to the decoration of her darling child. Only let his thoughts be of equal scope, and the frame will suit the picture. A virtuous man is in unison with her works, and makes the central figure of the visible sphere. Homer, Pindar, Socrates, Phocion, associate themselves fitly in our memory with the geography and climate of Greece. The visible heavens and earth sympathize with Jesus. And in common life, whosoever has seen a person of powerful character and happy genius, will have remarked how easily he took all things along with him,—the persons, the opinions, and the day, and nature became ancillary to a man.

3. There is still another aspect under which the beauty of the world may be viewed, namely, as it becomes an object of the intellect. Beside the relation of things to virtue, they have a relation to thought. The intellect searches out the absolute order of things as they stand in the mind of God, and without the colors of affection. The intellectual and the active powers seem to succeed each other, and the exclusive activity of the one, generates the exclusive activity of the other. There is something unfriendly in each to the other, but they are like the alternate periods of feeding and working in animals: each prepares and will be followed by the other. Therefore does beauty, which, in relation to actions, as we have seen, comes unsought, and comes because it is unsought, remain for the apprehension and pursuit of the intellect; and then again, in its turn, of the active power. Nothing divine dies. All good is eternally reproductive. The beauty of nature re-forms itself in the mind, and not for barren contemplation, but for new creation.

All men are in some degree impressed by the face of the world; some men even to delight. This love of beauty is Taste. Others have the same love in such excess, that, not content with admiring, they seek to embody it in new forms. The creation of beauty is Art.

The production of a work of art throws a light upon the mystery of humanity. A work of art is an abstract or epitome of the world. It is the result or expression of nature, in miniature. For, although the works of nature are innumerable and all different, the result or the expression of them all is similar and single. Nature is a sea of forms radically alike and even unique. A leaf, a sun-

beam, a landscape, the ocean, make an analogous impression on the mind. What is common to them all,—that perfectness and harmony, is beauty. The standard of beauty is the entire circuit of natural forms,—the totality of nature; which the Italians expressed by defining beauty "il piu nell' uno." Nothing is quite beautiful alone: nothing but is beautiful in the whole. A single object is only so far beautiful as it suggests this universal grace. The poet, the painter, the sculptor, the musician, the architect, seek each to concentrate this radiance of the world on one point, and each in his several work to satisfy the love of beauty which stimulates him to produce. Thus is Art, a nature passed through the alembic of man. Thus in art, does nature work through the will of a man filled with the beauty of her first works.

The world thus exists to the soul to satisfy the desire of beauty. This element I call an ultimate end. No reason can be asked or given why the soul seeks beauty. Beauty, in its largest and profoundest sense, is one expression for the universe. God is the all-fair. Truth, and goodness, and beauty, are but different faces of the same All. But beauty in nature is not ultimate. It is the herald of inward and eternal beauty, and is not alone a solid and satisfactory good. It must stand as a part, and not as yet the last or highest expression of the final cause of Nature.

Chapter V: Discipline

In view of the significance of nature, we arrive at once at a new fact, that nature is a discipline. This use of the world includes the preceding uses, as parts of itself.

Space, time, society, labor, climate, food, locomotion, the animals, the mechanical forces, give us sincerest lessons, day by day, whose meaning is unlimited. They educate both the Understanding and the Reason. Every property of matter is a school for the understanding,—its solidity or resistance, its inertia, its extension, its figure, its divisibility. The understanding adds, divides, combines, measures, and finds nutriment and room for its activity in this worthy scene. Meantime, Reason transfers all these lessons into its own world of thought, by perceiving the analogy that marries Matter and Mind.

1. Nature is a discipline of the understanding in intellectual truths. Our dealing with sensible objects is a constant exercise in the necessary lessons of difference, of likeness, of order, of being and seeming, of progressive arrangement; of ascent from particular to general; of combination to one end of manifold forces. Proportioned to the importance of the organ to be formed, is the extreme care with which its tuition is provided,—a care pretermitted in no single case. What tedious training, day after day, year after year, never ending, to form the common sense; what continual reproduction of annoyances, inconveniences, dilemmas; what rejoicing over us of little men; what disputing of prices, what reckonings of interest,—and all to form the Hand of the mind;—to instruct us that "good thoughts are no better than good dreams, unless they be executed!"

The same good office is performed by Property and its filial systems of debt and credit. Debt, grinding debt, whose iron face the widow, the orphan, and the sons of genius fear and hate;—debt, which consumes so much time, which so cripples and disheartens a great spirit with cares that seem so base, is a preceptor whose lessons cannot be foregone, and is needed most by those who suffer from it most. Moreover, property, which has been well compared to snow,—"if it fall level to-day, it will be blown into drifts to-morrow,"—is the surface action of internal machinery, like the index on the face of a clock. Whilst now it is the gymnastics of the understanding, it is hiving in the foresight of the spirit, experience in profounder laws.

The whole character and fortune of the individual are affected by the least inequalities in the culture of the understanding; for example, in the perception of differences. Therefore is Space, and therefore Time, that man may know that things are not huddled and lumped, but sundered and individual. A bell and a plough have each their use, and neither can do the office of the other. Water is good to drink, coal to burn, wool to wear; but wool cannot be drunk, nor water spun, nor coal eaten. The wise man shows his wisdom in separation, in gradation, and his scale of creatures and of merits is as wide as nature. The foolish have no range in their scale, but suppose every man is as every other man. What is not good they call the worst, and what is not hateful they call the best.

In like manner, what good heed, nature forms in us! She pardons no mistakes. Her yea is yea, and her nay, nay.

The first steps in Agriculture, Astronomy, Zoology, (those first steps which the farmer, the hunter, and the sailor take,) teach that nature's dice are always loaded; that in her heaps and rubbish are concealed sure and useful results.

How calmly and genially the mind apprehends one after another the laws of physics! What noble emotions dilate the mortal as he enters into the counsels of the creation, and feels by knowledge the privilege to Be! His insight refines him. The

beauty of nature shines in his own breast. Man is greater than he can see this, and the universe less, because Time and Space relations vanish as laws are known.

Here again we are impressed and even daunted by the immense Universe to be explored. "What we know, is a point to what we do not know." Open any recent journal of science, and weigh the problems suggested concerning Light, Heat, Electricity, Magnetism, Physiology, Geology, and judge whether the interest of natural science is likely to be soon exhausted.

Passing by many particulars of the discipline of nature, we must not omit to specify two.

The exercise of the Will or the lesson of power is taught in every event. From the child's successive possession of his several senses up to the hour when he saith, "Thy will be done!" he is learning the secret, that he can reduce under his will, not only particular events, but great classes, nay the whole series of events, and so conform all facts to his character. Nature is thoroughly mediate. It is made to serve. It receives the dominion of man as meekly as the ass on which the Saviour rode. It offers all its kingdoms to man as the raw material which he may mould into what is useful. Man is never weary of working it up. He forges the subtile and delicate air into wise and melodious words, and gives them wing as angels of persuasion and command. One after another, his victorious thought comes up with and reduces all things, until the world becomes, at last, only a realized will,—the double of the man.

2. Sensible objects conform to the premonitions of Reason and reflect the conscience. All things are moral; and in their boundless changes have an unceasing reference to spiritual nature. Therefore is nature glorious with form, color, and motion, that every globe in the remotest heaven; every chemical change from the rudest crystal up to the laws of life; every change of vegetation from the first principle of growth in the eye of a leaf, to the tropical forest and antediluvian coal-mine; every animal function from the sponge up to Hercules, shall hint or thunder to man the laws of right and wrong, and echo the Ten Commandments. Therefore is nature ever the ally of Religion: lends all her pomp and riches to the religious sentiment. Prophet and priest, David, Isaiah, Jesus, have drawn deeply from this source. This ethical character so penetrates the bone and marrow of nature, as to seem the end for which it was made. Whatever private purpose is answered by any member or part, this is its public and universal function, and is never omitted. Nothing in nature is exhausted in its first use. When a thing has served an end to the uttermost, it is wholly new for an ulterior service. In God, every end is converted into a new means. Thus the use of commodity, regarded by itself, is mean and squalid. But it is to the mind an education in the doctrine of Use, namely, that a thing is good only so far as it serves; that a conspiring of parts and efforts to the production of an end, is essential to any being. The first and gross manifestation of this truth, is our inevitable and hated training in values and wants, in corn and meat.

It has already been illustrated, that every natural process is a version of a moral sentence. The moral law lies at the centre of nature and radiates to the circumference. It is the pith and marrow of every substance, every relation, and every process. All things with which we deal, preach to us. What is a farm but a mute gospel? The chaff and the wheat, weeds and plants, blight, rain, insects, sun, —it is a sacred emblem from the first furrow of spring to the last stack which the snow of winter overtakes in the fields. But the sailor, the shepherd, the miner, the merchant, in their several resorts, have each an experience precisely parallel, and leading to the same conclusion: because all organizations are radically alike. Nor can it be doubted that this moral sentiment which thus scents the air, grows in the grain, and impregnates the waters of the world, is caught by man and sinks into his soul. The moral influence of nature upon every individual is that amount of truth which it illustrates to him. Who can estimate this? Who can guess how much firmness the sea-beaten rock has taught the fisherman? how much tranquillity has been reflected to man from the azure sky, over whose unspotted deeps the winds forevermore drive flocks of stormy clouds, and leave no wrinkle or stain? how much industry and providence and affection we have caught from the pantomime of brutes? What a searching preacher of self-command is the varying phenomenon of Health!

Herein is especially apprehended the unity of Nature,—the unity in variety,—which meets us everywhere. All the endless variety of things make an identical impression. Xenophanes complained in his old age, that, look where he would, all things hastened back to Unity. He was weary of seeing the same entity in the tedious variety of forms. The fable of Proteus has a cordial truth. A leaf, a drop, a crystal, a moment of time is related to the whole, and partakes of the perfection of the whole. Each particle is a microcosm, and faithfully renders the likeness of the world.

Not only resemblances exist in things whose

analogy is obvious, as when we detect the type of the human hand in the flipper of the fossil saurus, but also in objects wherein there is great superficial unlikeness. Thus architecture is called "frozen music," by De Staël and Goethe. Vitruvius thought an architect should be a musician. "A Gothic church," said Coleridge, "is a petrified religion." Michael Angelo maintained, that, to an architect, a knowledge of anatomy is essential. In Haydn's oratorios, the notes present to the imagination not only motions, as of the snake, the stag, and the elephant, but colors also; as the green grass. The law of harmonic sounds reappears in the harmonic colors. The granite is differenced in its laws only by the more or less of heat, from the river that wears it away. The river, as it flows, resembles the air that flows over it; the air resembles the light which traverses it with more subtile currents; the light resembles the heat which rides with it through Space. Each creature is only a modification of the other; the likeness in them is more than the difference, and their radical law is one and the same. A rule of one art, or a law of one organization, holds true throughout nature. So intimate is this Unity, that, it is easily seen, it lies under the undermost garment of nature, and betrays its source in Universal Spirit. For, it pervades Thought also. Every universal truth which we express in words, implies or supposes every other truth. *Omne verum vero consonat.* It is like a great circle on a sphere, comprising all possible circles; which, however, may be drawn, and comprise it, in like manner. Every such truth is the absolute Ens seen from one side. But it has innumerable sides.

The central Unity is still more conspicuous in actions. Words are finite organs of the infinite mind. They cannot cover the dimensions of what is in truth. They break, chop, and impoverish it. An action is the perfection and publication of thought. A right action seems to fill the eye, and to be related to all nature. "The wise man, in doing one thing, does all; or, in the one thing he does rightly, he sees the likeness of all which is done rightly."

Words and actions are not the attributes of brute nature. They introduce us to the human form, of which all other organizations appear to be degradations. When this appears among so many that surround it, the spirit prefers it to all others. It says, 'From such as this, have I drawn joy and knowledge; in such as this, have I found and beheld myself; I will speak to it; it can speak again; it can yield me thought already formed and alive.' In fact, the eye,—the mind,—is always accompanied by these forms, male and female; and these are incomparably the richest informations of the power and order that lie at the heart of things. Unfortunately, every one of them bears the marks as of some injury; is marred and superficially defective. Nevertheless, far different from the deaf and dumb nature around them, these all rest like fountain-pipes on the unfathomed sea of thought and virtue whereto they alone, of all organizations, are the entrances.

It were a pleasant inquiry to follow into detail their ministry to our education, but where would it stop? We are associated in adolescent and adult life with some friends, who, like skies and waters, are coextensive with our idea; who, answering each to a certain affection of the soul, satisfy our desire on that side; whom we lack power to put at such focal distance from us, that we can mend or even analyze them. We cannot choose but love them. When much intercourse with a friend has supplied us with a standard of excellence, and has increased our respect for the resources of God who thus sends a real person to outgo our ideal; when he has, moreover, become an object of thought, and, whilst his character retains all its unconscious effect, is converted in the mind into solid and sweet wisdom,—it is a sign to us that his office is closing, and he is commonly withdrawn from our sight in a short time.

HENRY C. CAREY

WITH THE SAME VIGOR that had made him a successful bookseller at the age of nine, Henry C. Carey (1793–1879) set about exploring the field of political economy and applying its principles to a growing America. He retired from business in 1835 and by 1837 was ready to publish the first volume of his *Principles of Political Economy*. Within the next two years he had completed two additional volumes and laid the groundwork for an "American school" of economic thought.

Carey is historical and statistical in approach, and hopeful in outlook. For him, political economy is no "dismal science" but a beautiful exhibition of the "perfect harmony" of the laws of nature. Its dicta are as sublime and immu-

table as those which explain how the cosmos is held together, but they presage no misery to a people compelled by natural law to multiply to the limits of subsistence. On the contrary, as population increases, more soils are cultivated, less capital is devoted to preserving social order and more is given to assisting labor. As a result, labor becomes more productive and its proportion of the product increases; the capitalist, on the other hand, receives a smaller proportion of the product which nevertheless amounts to a larger quantity, and in this way his wealth is augmented. Just as the wages of labor depend on its productivity and the increase of capital, so the value of capital depends on the cost of reproduction; and that, in turn is linked with the productiveness of labor. Therefore, what benefits one portion of society benefits all.

The only check on the tendency of wealth to increase with the increase of population is the unproductive expenditure of war and of lavish governments. That is proved by the example of the United States. The country is prosperous not because land is abundant, Carey insists, for land is equally abundant in Czarist Russia, in Mexico or Brazil. The United States prospers because its government makes no wars, wastes no money, and does not interfere with the economic concerns of its citizens. American workingmen are better paid than their fellows in Europe because they produce more; the high price of labor has encouraged the use of machinery and this application of capital has so increased the productivity of labor that the worker can claim a share of a greater output. Other countries have been "consistently engaged in applying the remedies for over-population, robbing and plundering each other . . ."; if this absurd waste were to cease, then the Old World could live as well as the New.

Carey was to make certain interesting changes in his thinking as the years passed. He ceased to accept Ricardo's contention that rich soils are cultivated first, for example, and with that went the theory of diminishing returns. American experience in settlement showed that poor soils are cultivated before rich river bottoms, because, in a new country, the richer the soil the more unhealthy the locality. Equally interesting was his franker espousal of Protectionism. In 1837, he considered the great virtue of American national policy to be its application of the salutary principle of laissez faire. Where government had interfered to grant monopolies by exclusive banking charters, credit had suffered; where it had taxed imports, industry had suffered. Rates of return on capital were lowest in the decade 1820–30, when government interference was at its height. "It cannot be doubted that the duties on imports have been much higher than they should have been." (It should be noted, however, that when it came to coal and iron he was content with the duties in the Compromise Tariff of 1833.)

Later, Carey came to look upon consistent protection of a certain kind and for certain goods as the basis of national welfare and the only practical mode of introducing true freedom of trade. He uses List's argument that free trade between nations in different stages of economic development leads to the subjection of the less advanced; but his reasoning is closer to Henry Clay's and to his own father's (Matthew Carey), than to that of List, for whom national power rather than national well-being was basic to political economy. Carey demonstrates how protective tariffs promote the interest of all economic groups and all sections of the nation. Every increase of domestic manufacturing widens the farmer's market and each widening of his market makes the farmer a greater consumer of manufactured goods. Protection is a "necessary defense" against "the British colonial system" which tries to monopolize machinery and make Britain the center to which all raw materials flow. So long as any American product seeks a market in Britain, Liverpool will dictate the price of the entire American crop. Proper protective duties will so concentrate and increase America's population that her farmers will not

need to look for foreign markets. Shipping will not suffer, however, because we will export more valuable goods and import bulky raw materials as well as immigrants whose fares will pay the freight of both imports and exports. The planter will share in the benefits of protection as soon as he brings the loom to the cotton field. The value of his lands will so increase under this system that he will not need to wear out his soil and then seek new lands on which to establish slavery. As the value of Southern land increases, slavery will tend to disappear, for the slave, having become more intelligent and productive will gradually demand his freedom—and the slaveowner will grant it in return for receiving a larger absolute product though a decreasing share. Like industry, shipping, agriculture, and capital, labor will benefit from protection which will afford more security and variety of employment. Workers will no longer be crowded into great cities but will benefit by living in small communities where they can divide their time between the factory and the farm.

Under "British free trade," Ireland suffers, India starves, Americans are harried into moving westward and English workingmen go hungry—all to profit British middlemen who monopolize the means of converting cotton into cloth and ore into hardware. The object of protection, Carey concludes is "the establishment of perfect free trade by the annexation of men and nations." Once let it be known that the United States intends to establish the world's seat of cotton and iron manufactures within her borders, Europeans will flock here to enjoy the superior returns our peaceful democracy assures to capital and labor alike. Those who come will consume more cotton and food as their standard of living rises, while those who remain abroad will divide a larger product. Thus, all the world will benefit from the thorough application of protective tariffs by the United States.

The passages here reprinted point up "The Harmony of Interests" between capital and labor, a concept Hamilton first explored in his *Report on Manufactures*. They are filled with that same confidence in the destiny of America that is a prevalent theme in the shaping of the American tradition. The selections are taken from Vol. I (Philadelphia and London, 1837) and Vol. III (Philadelphia and London, 1840) of the *Principles of Political Economy*.

Principles of Political Economy

BY HENRY C. CAREY

MR. RICARDO

. . . MR. RICARDO's great error consists in supposing rapid changes of production, without a corresponding change of consumption. All improvements of the one are gradual and attended by increased power and disposition for the other. Every year sees new land taken into cultivation in both England and the United States, and every year sees the wages of labour advance. That of 1836 must therefore be more productive than was that of 1835, or 1834, because aided by greater capital. Every successive body of land in both countries is more productive than were those which preceded it when they were taken into cultivation, and yet rents not only do not fall, but they rise.

Until Whitney enabled the planter to clean it, the production of cotton was small, and its consumption limited. Since then there has been a succession of improvements, tending to lessen the cost, but with the reduction of price in the market, there has been an increase of demand. It has appeared, indeed, almost impossible for production to keep pace therewith, notwithstanding the United States, which produced in 1784 only eight bales, now furnish a million and a half of bales.

"But there are improvements which may lower the relative value of produce without lowering the corn rent, though they will lower the money rent of land. Such improvements do not increase the productive powers of the land, but they enable us to obtain its produce with less labour. They are rather directed to the formation of the capital applied to the land, than to the cultivation of the land itself. Improvements in agricultural implements, such as the plough and the threshing ma-

chine, economy in the use of horses employed in husbandry, and a better knowledge of the veterinary art, are of this nature. Less capital, which is the same thing as less labour, will be employed on the land; but to obtain the same produce, less land cannot be cultivated. Whether improvements of this kind, however, affect corn rent, must depend on the question, whether the difference between the produce obtained by the employment of different portions of capital be increased, stationary, or diminished. If four portions of capital, 50, 60, 70, 80, be employed on the land, giving each the same results, and any improvement in the formation of such capital should enable me to withdraw 5 from each, so that they should be 45, 55, 65, and 75, no alteration would take place in the corn rent; but if the improvements were such as to enable me to make the whole saving on the largest portion of capital, that portion which is least productively employed, corn rent would immediately fall, because the difference between the capital most productive and the capital least productive would be diminished; and it is this difference which constitutes rent."[1]

Mr. Ricardo forgets that the capital thus disengaged would be seeking employment, and that the man who had used it would desire to turn his attention to some other pursuit. If three men and three portions of capital could supply all the corn, one man and one portion of capital could be employed in manufacturing some article not previously produced. Production would be increased, the property would, by the establishment of the manufacture, acquire greater *advantages of situation* from the increased facility of exchanging its products, and wages and rents would both rise. *It is precisely this operation that has given to all the land of England those advantages of situation which enable the cultivators to pay, as rent, for a single acre of "inferior soil," as much as would purchase a dozen acres of the most fertile land in Texas.* The producers of wheat in the United States enjoy great "advantages of situation," from the extension of the cultivation of cotton, and from the establishment of manufactures, by which they are enabled, at small cost of transportation, to exchange their products for the commodities they desire to obtain. The producers of cotton will, at some future period, enjoy advantages of situation, from the establishment of manufactures among them, enabling them readily to obtain clothing. If all the people of the United States were employed in raising wheat, they would be compelled to pay the expense of transporting it to Europe for exchange; but the increased productiveness of labour applied to cultivation enables them to transfer a large portion of their powers to other pursuits, and *with every such transfer there is an increase in the value of property—in the value of its products—in the rent of the landlord—and in the wages of the cultivator.* Every difficulty interposed in the way of producing any commodity lessens the value of labour and capital employed in its production, and every increase of facility raises the wages of the labourer and the profits of the capitalist. This is equally true whether the difficulty arises from want of knowledge, or from legislative restrictions. The former, however, is removed gradually—the latter may be removed suddenly, when the effect upon the capitalist is equally sudden, annihilating the whole of that capital which is least productive, and diminishing the revenue that the owner of the other portion should receive. The commodity falls in its labour value—the labourers claim a larger proportion of the product—but the destruction of capital which takes place tends to lessen the demand for labourers and the reward of all labour. . . .

"In speaking of the rent of the landlord, we have rather considered it as the proportion of the whole produce, without any reference to its exchangeable value, but since the same cause, the difficulty of production, raises the exchangeable value of raw produce, and raises also the proportion of raw produce paid to the landlord for rent, it is obvious that the landlord is doubly benefited by difficulty of production. First, he obtains a greater share; and, secondly, the commodity in which he is paid is of greater value."[2]

The difficulty of production is greatest in Poland, and least in the United States; yet in the last, land has a high value, and in the first, a low one. Upon this principle it was attempted to prevent the making of turnpike roads in England. It was said that the distant lands would supply the market of London, and would command high rents in consequence, at the expense of the nearer ones. The same effect was anticipated from the construction of the New York and Pennsylvania canals above referred to. The result has, however, been, that instead of a diminution of value, there has been an augmentation of it in almost every case. If the canals were destroyed, the inequality of situation would be increased, but the rent of land near New York and Philadelphia would fall, because the trade of those cities would be lessened, and they would lose their advantages of situa-

[1] Ricardo's Political Economy, Chapter II.

[2] *Ibid.*, Chapter II.

tion, by the transfer of capital to some other quarter.

Mr. Ricardo labours, throughout, under the error of supposing that great proportion means great quantity. The smaller the amount produced, the larger is the landlord's *proportion*, but the smaller is his *quantity*. One half of ten bushels, is a very different return from one third of thirty bushels. He supposes that the augmented price will also tend to increase the revenue of the landlord, yet in those countries in which the landlord has one half the price is lowest. In the United States and England the proportion is less than in Poland, but the quantity and price are greater. In the latter, the owner has *one half* of ten bushels, and the price is perhaps 40 or 50 cents per bushel. His revenue from an acre is, therefore, five bushels = $2 to $2 50. In the United States he may have one fourth of 30 bushels, at $1 50 per bushel = $11 25.

We take the following passages from Mr. Ricardo's chapter on Profits.

"We have shown that in early stages of society, both the landlord's and the *labourer's share* of the *value* of the produce of the earth, would be but small; and that it *would increase in proportion to the progress of wealth, and the difficulty of procuring food*. We have shown too, that although the value of the labourer's portion will be increased by the high value of food, *his real share will be diminished;* whilst that of the landlord will not only be raised in value, but will also be increased in quantity." [3]

In the colony of Western Australia we see the precise nature of the division which takes place in the early stages of society. We there see that the owner of land receives as rent only interest at the rate of ten per cent. for the capital applied to its improvement, which interest he could have from any other mode of investment. He takes a large share of the product and the labourer has a small one. With every increase of capital he will have a diminished share of the product, but that diminished share will yield him a larger return of commodities of every description. If "*the difficulty* of procuring food" increased with the progress of wealth, he would have, as Mr. Ricardo says, an increased proportion, but throughout the world, he obtains, as capital increases, a diminished share, marking a constant increase in *the facility* of procuring food.

Mr. Ricardo supposes that, in the course of the progress of wealth, *the real share of the labourer will be diminished*, whereas, there is undoubted evidence that the real share is constantly increasing, and that it cannot possibly be otherwise.

"In every case, agricultural, as well as manufacturing profits, are lowered by a rise in the price of raw produce, if it be accompanied by a rise of wages. If the farmer gets no additional value for the corn which remains to him after paying rent, if the manufacturer gets no additional value for the goods which he manufactures, and if both are obliged to pay a greater value in wages, can any point be more clearly established than that profits must fall, with a rise of wages?" [4]

A rise in the price of agricultural produce, unless produced by an increased facility in obtaining the precious metals, or by an increase in confidence by which credits, in the form of bills and drafts, lessen the quantity thereof required to perform the exchanges of the world, can take place only in consequence of diminished production. In such a case, if the labourer obtained the same *proportion*, the landlord would have less. Money wages, however, rise slowly, and *the effect of a rise in the price of produce from diminished production in any part of the world, is, always, to give a diminished proportion to the labourer*. Wages, *in corn*, fall; so do profits. The landlord's increased proportion yields him less than he had before. The *apparent rate of profit—i. e. the proportion claimed by the owner of capital,—falls with a rise of real wages, but the real profit always rises with them*, so that both are interested in the increase of production.

"The natural tendency of profits then is to fall; for, in the progress of society and wealth, the additional quantity of food required is obtained by the sacrifice of more and more labour. This tendency, this gravitation, as it were, of profits, is happily checked, at repeated intervals, by the improvements in machinery, connected with the production of necessaries, as well as by discoveries in the science of agriculture, which enable us to relinquish a portion of labour before required, and therefore to lower the price of the prime necessary of the labourer. The rise in the price of necessaries and in the wages of labour is, however, limited; for as soon as wages should be equal (as in the case formerly stated) to £720, the whole receipts of the farmer, *there must be an end of accumulation; for no capital can then yield any profit whatever*, and no additional labour can be demanded, and consequently population will have reached its highest point. Long, indeed, before this period, the very low rate of profits will have arrested all accumulation, and almost the whole

[3] *Ibid.*, Chapter V.

[4] *Ibid.*

produce of the country, after paying the labourers, will be the property of the owners of land and the receivers of tithes and taxes." [5]

The great difficulty that arises out of the separation of *profits of capital* from *rent of land*, is here very evident. We are told that profits will be so low that almost the whole produce of the country will be the property of the owners of the land. The owner of capital might, however, employ it either in the purchase, or in the cultivation, of land. If the latter did not afford sufficient return, he would adopt the former course, and by degrees all capital would be withdrawn from cultivation, and applied to the purchase of land. Where then would be the rents? There would be none, because the landlords had demanded too much, and they would then find that they had a machine called land, and that other people had other machines, called ploughs and harrows, and that the only way in which they could be brought together, was to make a fair division of the proceeds. The profit of capital employed *in land*, and *on land*, could not vary very greatly, because if the one did not pay enough, that employed in it would be very speedily diverted to the other.

If the doctrine that rent arises out of a necessity for having recourse to inferior soils, yielding a "constantly diminishing return to capital and labour," be true, equally so is the inference that at some future time the landlord will have it in his power to claim whatever proportion of the proceeds he may think proper, and that the labourer will be reduced, as in India, to a handful of rice and a rag of clothing. Unfortunately, however, for this theory, the world has gone on for thousands of years in a different direction. With the extension of cultivation, there has been a constant improvement in the condition of the labourer. He has been enabled to demand and obtain a constantly increasing proportion of the product of his labour, while the owners of land and of capital have been content with a constantly decreasing proportion. Both wages and profits have, however, risen. Labour is daily more productive—the labourer's power to accumulate capital is daily increasing—the amount of comforts obtainable in exchange for the use of any given quantity of capital is also increasing—and thus he is enabled to have better food, better clothing, better shelter, and to obtain with a constantly decreasing quantity of labour, the means of support when old age shall have disabled him for exertion. We ask the reader to examine the facts carefully, and to determine for himself which doctrine is borne out by them.

[5] *Ibid.*

SUMMARY

We now submit to the reader the following propositions, embracing the results at which we have arrived.

I. That man desires to maintain and to improve his condition.

II. That he endeavours to accomplish this object by applying himself to the production of such things as are either useful or agreeable to him.

III. That as he cannot increase or decrease the quantity of matter of which the world is composed, he has it only in his power to alter in its form, or in its place, the matter already existing. Production, therefore, consists in the appropriation, alteration, or transportation, of the gifts of nature.

IV. That the articles so produced have value in his estimation, because of the labour that has been given in exchange for them.

V. That the values thus produced constitute his revenue.

VI. That a portion of his revenue is applied to the satisfaction of present wants, and the remainder is laid by for future enjoyment, or to aid him in further production.

VII. That the portion thus laid by constitutes his capital, under which head is embraced all articles possessing exchangeable value, whether in the form of land, houses, ships, provisions, diamonds, or commodities of any other description.

VIII. That capital aids labour and increases the power of production. That it also facilitates the division of employments, and combination of labour.

IX. That labour thus aided is improved in its quality.

X. That every improvement in the *quality* of labour tends to diminish the *quantity* required for the production of any commodity, and to facilitate its acquisition.

XI. That the value of all commodities, *at the time of production*, is estimated by the *quantity and quality* of labour required to produce them.

XII. That as every improvement in the *quality* of labour tends to diminish the *quantity* of labour required for the production of any commodity, it follows, that it also diminishes the quantity that can be obtained in exchange for commodities of a similar description already accumulated.

XIII. That there is, therefore, as labour improves in its quality, a constant tendency to diminution in the quantity thereof that can be obtained in exchange for existing capital. The value of the latter is limited by the cost of *reproduction.*

XIV. That the labourer, when he obtains the

aid of capital that he does not possess, allows to its owner a portion of the commodities that he is thereby enabled to produce.

XV. That the portion which he retains, is termed wages, and that which is received by the owner of capital, is termed profits.

XVI. That wages are the reward of human labour—of the exertion of skill or talent.

XVII. That profits are the compensation paid for the aid of *things* having exchangeable value.

XVIII. That the *profits of trade* are a combination of profits of capital and wages of labour, or superintendence.

XIX. That when labour is of inferior quality, production is small, capital is accumulated with difficulty, and the owner thereof claims a large proportion of the product in return for granting its aid.

XX. That at that time the quantity of commodities to be divided is small. The labourer's *proportion* thereof is small, and he obtains with difficulty the necessaries of life. The *proportion* of the capitalist is large, but the *quantity* of commodities is small, and thus he obtains but a small amount of the conveniences and necessaries of life, in return for the use of capital produced at great cost of labour.

XXI. That the quantity of commodities to be exchanged is small, and that both labourer and capitalist are obliged to allow to the dealer a large *proportion* to be retained by him as *profits of trade*, thus diminishing greatly their power of obtaining the necessaries or conveniences of life.

XXII. That as labour is improved in its quality, it becomes more productive, capital is accumulated at less cost of labour, and its owner can demand a smaller *proportion* of the product in return for granting its aid.

XXIII. That with every improvement in the quality of labour, the quantity of commodities to be divided is increased. That this increased production is attended by the power, on the part of the labourer, to retain a constantly increasing *proportion* of the commodities produced. He is, therefore, constantly improving in his condition.

XXIV. That although the *proportion* of the capitalist is constantly diminishing with the increased productiveness of labour, this diminished share gives him a constantly increasing *quantity* of commodities, enabling him to increase his consumption, while he rapidly increases his capital. Thus while the facility of accumulation is constantly increasing, there is a steady *diminution* in the *rate* of interest, or profit, and an equally steady *increase* in the amount of commodities that the owner receives in return for the use of any given quantity of capital.

XXV. That the quantity of commodities to be exchanged increases rapidly, and the trader is enabled to obtain constantly *increasing* profits of trade from a constantly *diminishing* proportion of the commodities which pass through his hands. Both capitalist and labourer are, therefore, enabled to obtain a constantly increasing measure of the conveniences, comforts, and luxuries of life, in exchange for their products.

XXVI. That the interests of the capitalist and the labourer are thus in perfect harmony with each other, as each derives advantage from every measure that tends to facilitate the growth of capital, and to render labour productive, while every measure that tends to produce the opposite effect is injurious to both.

XXVII. That the world at large is governed by the same laws which govern the individual labourers and capitalists, or any number of them constituting a community, or nation.

XXVIII. That the interests of all nations are therefore in harmony with each other, as every measure that tends to lessen production in one nation, tends to lessen the reward of both labourer and capitalist in every other nation, and every measure that tends to increase it, tends to increase the reward of the labourer and capitalist in every other nation.

XXIX. That it is therefore the interest of all that universal peace should prevail, whereby the waste of population and of capital should be arrested—and that the only strife among nations should be to determine which should make the most rapid advances in those peaceful arts which tend to increase the comforts and enjoyments of all the portions of the human race.

XXX. That the desire of improving his condition impels man to desire the aid and co-operation of his fellow men.

XXXI. That in the infancy of society the want of capital compels him to depend for a supply of the necessaries of life upon the appropriation of those articles produced by nature without his aid, and he is compelled to roam over extensive tracts of land to obtain sufficient to support existence. He relies, exclusively, upon the superior soils.

XXXII. That he is therefore compelled to live apart from his fellow men, or to associate with them in very small communities. Population is, consequently, thinly scattered over the land. Fertile land is abundant, but he has not the means of rendering it productive.

XXXIII. That if successful in his search after

food, he does not possess the means of transporting or of preserving that which he does not require for immediate consumption. His life is therefore a constant alternation of waste and starvation. He is poor and miserable.

XXXIV. That with the first accumulation of capital he acquires the power of resorting to an inferior soil for subsistence. He finds that a more limited space will supply his wants, and he is enabled to draw nearer to his fellow men, to unite with them in the division of employment, and thus to obtain their co-operation, by which the labour of all is rendered more productive.

XXXV. That his implements are, however, still rude, and he is obliged to scratch over the surface of a large quantity of land to obtain what is necessary for his support. The surplus above what is necessary for his own consumption is small and the exertions of nearly the whole of the community are requisite to secure a supply of food, leaving few for the preparation of clothing, the building of houses, or the production of any other of the comforts of life. His condition is improved, but he is still poor and miserable.

XXXVI. That with the further accumulation of capital he brings into action soils still more inferior, and with every such change finds increased facility in obtaining the necessaries of life from a diminished surface; he is, therefore, enabled to draw daily nearer to his fellow men, and daily more and more to co-operate with them, by which co-operation his labour is rendered daily more productive. This increased facility of obtaining the means of subsistence, causes a constant diminution in the proportion of the population required for the production of food, and enables a constantly increasing proportion to apply themselves to the production of clothing, shelter, and the other comforts of life.

XXXVII. That thus, as capital increases, population becomes more dense, and the inferior soils are brought into action with a constantly increasing return to labour. Men are enabled to benefit by the co-operation of their neighbours, and habits of kindness and good feeling take the place of the savage and predatory habits of the early period. Poverty and misery gradually disappear, and are replaced by ease and comfort. Labour becomes gradually less severe, and the quantity required to secure the means of subsistence is diminished, by which he is enabled to devote more time to the cultivation of his mind. His moral improvement keeps pace with that which takes place in his physical condition, and thus the virtues of civilization replace the vices of savage life.

Conclusion: Volume III

The following propositions embrace the several points which we have endeavoured to establish.

I. That mankind tend to increase in numbers, and that under favourable circumstances they may double in from twenty-five to thirty years.

II. That there is a tendency to the accumulation, by each generation, of capital, in the form of houses, farms, canals, rail-roads, and other machinery, for the benefit of that which is to succeed it, and that, when not prevented by human interference, there must be a steady increase in the ratio of capital to population, as we know to have been the case, although in different degrees, in England, Scotland, France, the United States, and other countries, for centuries past.

III. That each successive generation should therefore be enabled to apply its labour more advantageously than that which preceded it, gradually substituting coal drawn from the bowels of the earth for the wood which before had been taken from the surface—iron and steel for flint—rail-roads and canals for horse and mule paths—ships and steamboats for canoes—the cotton of India and America, and the silk of China, for the skin of the ox and the sheep—the spinning-jenny and the power-loom for the distaff and hand-loom—and the power of the steam-engine for that of man—bringing into action those soils which, from difference of situation, or of quality, had been deemed inferior, and with each successive substitution diminishing the severity of labour, while increasing its reward.

IV. That the power of cultivating the soils that from quality were deemed inferior, and obtaining therefrom a constantly increasing supply of the necessaries and conveniences of life from any given surface, tends to enable men to associate themselves together, and to combine their exertions for the increase of production and for mutual protection, thus rendering their labour more productive, and promoting the further increase of capital.

V. That the increased facility of communication enables them to extend themselves over lands that by distance were rendered inferior, thus increasing the surface occupied, at the same time that population becomes more dense near the centre of capital, and that every such extension tends to increase the productiveness of labour, and the facility of accumulating further capital.

VI. That every increase in the ratio of capital to population, is attended with an increase in the

ratio which the value of labour bears to that of capital, and the labourer is consequently enabled to retain a *constantly increasing proportion* of the product of his labour, leaving to the owner of landed or other capital a *constantly diminishing proportion.*

VII. That notwithstanding his diminution of *proportion*, the capitalist obtains for the use of any given capital, a constantly increasing *quantity* of the commodities necessary for his subsistence and enjoyment, and for the further increase of his capital.

VIII. That both labourer and capitalist are consequently enabled to improve their *physical* condition, thereby producing a tendency to a more rapid increase of population, and a more intimate association for the purpose of increasing production, or of maintaining security.

IX. That with the increase of population and capital, there is a constant diminution in the *proportion* of the labour of a community, or of the proceeds thereof, required for the maintenance of security, which becomes daily more perfect. Labour becomes more productive, while there is a constant increase in the *proportion* of the product that is left for division between the labourer and the capitalist.

X. That with every increase of security, man is enabled more distinctly to perceive the advantage and propriety of respecting the rights and feelings of others, if he desire them to respect his own, and that the increased habit of association for mutual protection tends to increase the necessity for so doing: while the increased productiveness of labour offers a constantly increasing inducement to apply himself to obtain, by honest industry, the commodities necessary for his subsistence, and for the accumulation of capital; and that thus is produced a constant improvement of *moral* condition, tending to diminish still further the cost of maintaining security.

XI. That the increase in the labourer's proportion tends to produce a more rapid improvement in his condition than in that of the owner of capital—to diminish the distance between them—and to enable him to become himself a capitalist.

XII. That, consequently, with every increase of wealth we find a change in the relative positions of the labourer or the mechanic—the lawyer or the artist—and the mere capitalist, the former occupying a more, and the latter a less, prominent position in society: the former taking a larger, and the latter a smaller, *proportion* of the proceeds of their combined exertions: the former experiencing a constantly increasing facility for passing from the ranks of labourers or mechanics to that of capitalists, and for applying his talents and capital to promote his further advancement. Every increase of the productive power tends, therefore, to increase the proportion which the architects of their own fortunes bear to those who have inherited fortune, and with every such increase there is a tendency to the improvement and equality of the *moral* condition of all classes of society.

XIII. That the diminished proportion which the value of capital bears to that of labour, and the constant approach to equality of condition, tend to render it necessary for the capitalist to apply his time and talents to production, while it is attended with a constant increase in the value of such talent, offering a constantly increasing inducement to its exertion, and producing a constantly increasing facility for the further accumulation of capital, and further improvement of physical, moral, and intellectual condition. The more rapid the increase of the productive power, the smaller, therefore, is the *proportion* which the unproductive bear to the productive classes.

XIV. That the labourer and mechanic are, by the hope of rising, stimulated to the improvement of their *intellectual* condition, and that the constant increase in their *proportion* of the constantly increasing product of labour, enables each generation to devote a constantly increasing amount of time and of capital to the improvement of the mind. That, consequently, there is, with the increase of population, a constant increase in the *proportion* who read, and a rapid increase in the reward of authors—in the lovers of the arts, and in the reward of artists. The prospect of wealth and distinction thus tends to give additional stimulus to exertion on the part of the labourer, while the necessity therefor on the part of the capitalist, if he would maintain his position in society, is daily increasing. Increase of the productive power is therefore necessarily accompanied by a tendency to improvement and equalization in the *intellectual* condition of all classes of society.

XV. That every diminution in the *proportion* retained by the owner of landed or other capital, tends to diminish his power to command the services of labourers, whether to be employed in the business of production, or in the maintenance of power over the actions of his fellow men, while the attendant improvement of moral condition tends to diminish the disposition to exercise that power.

XVI. That every increase of the labourer's *proportion* being attended with improved intellectual condition, he is enabled more fully to understand and to appreciate his right to equal

security of person and property—to the control of his own actions and the disposition of his own property—while his improved physical and moral condition enables him more advantageously to assert it, and that there is, therefore, with the increase of wealth, a constant tendency to equality of *political* condition, and to the establishment of the right of self-government.

XVII. That every increase of population being, when not prevented by human interference, accompanied by an increase in the ratio of capital to population, there is a constant tendency to the improvement and equality of physical, moral, intellectual, and political condition, to the further growth of population and capital, and to the further improvement of condition.

Such has been the course of events in those countries in which men have cultivated peace and good will among themselves and with their neighbours, and permitted population and capital to increase, but unfortunately a large portion of the world has been employed in robbing and plundering each other, thus keeping themselves in a state of poverty, vice, ignorance, and slavery, when they should be free, virtuous, and intelligent. The few have thereby been enabled to indulge their ambition, their vanity, and their desire of distinction, at the expense of the many. Well may it be said that "God made man upright, but they have sought out many inventions." [1]

The whole science of Political Economy may be reduced to a single line—

DO UNTO OTHERS AS YE WOULD THAT OTHERS SHOULD DO UNTO YOU.

An examination of the history of the human race, and careful reflection, would satisfy—

SOVEREIGNS, that the maintenance of peace and a studious observance of the rights of their neighbours, enabling the community over which they preside to increase in numbers and wealth, and in their productive power, would be attended with more *permanent* advantage to themselves and to their families than could be derived from impoverishing their subjects for the purpose of bringing new provinces under their dominion.

NATIONS, that every invasion of the rights of their neighbours—every expenditure for the maintenance of offensive war—must be attended with a diminution in the facilities for producing the commodities required for their own support, convenience, or enjoyment, and, consequently, with a deterioration of physical and moral condition—producing poverty, immorality, and ignorance, and enabling those charged with the administration of public affairs to take an increased proportion of the produce of their labour, and to exercise increased control over their actions, thus deteriorating their political condition.

LEGISLATORS, that the mode in which they can secure to their constituents universal prosperity, is to refrain from every measure tending to impair the right of individuals to determine for themselves the mode of employing their time and their property—and to exert themselves to diminish the demands of the government upon the produce of labour, as no government uses capital so advantageously as it would be used by those from whose pockets it is taken.

OWNERS OF LANDED AND OTHER CAPITAL, that every interference with the rights of their fellow citizens—every diminution in the perfect security of the rights of person and property—every monopoly or privilege—tends to diminish the power of production, and the *quantity* of commodities falling to their share, and consequently to impair their power of accumulation.

LABOURERS, that every interference with the rights of others—whether by war abroad, or riot and destruction at home—by restricting foreigners or their fellow citizens in their right freely to exchange the product of their labour—by restraining the employment of capital or of labour—tends to diminish not only the *quantity* of commodities produced, but their own *proportion* of that diminished quantity—to diminish their power of accumulation—their control over their own actions, and over those of the persons charged with the administration of the government—and thus to impair their power of improving their physical, moral, intellectual, and political condition.

FREEMEN, that if they desire improvement of political condition for any portion of the human race, whether of their own or of any other nation, their object will be best accomplished by uniting in every measure tending to increase the value of their labour, and by avoiding every thing tending to incite them to rebellion or revolution, war and massacre, or in any other way to lessen the perfect security of person and property.

ADVOCATES OF FREE TRADE, that in the endeavour to improve the action of the community of which they are members, they should always recollect that it has been by the previous action of the community itself that labour and capital have been forced into various branches of production, and that justice, as well as the interest of the nation at large, requires that all changes be gradual, in order that the desired improvement be attained with the least destruction of existing capital. By such action will the end, that of increasing the productiveness

[1] Ecclesiastes.

of labour, be most speedily, safely, and advantageously accomplished.

Disciples of Mr. Malthus, that obedience to the laws of God is attended with a rapid increase of population, and still more rapid increase of capital, enabling men to bring into activity the inferior soils, with a constantly increasing return to labour; and that war, with its attendant crime and misery, tends to keep subsistence below population, instead of keeping population down to subsistence. Such being the case, they may be content to leave to their successors to avail themselves of the remedies, positive and preventive, against overpopulation, whenever they shall be satisfied of their necessity.

In opposition to those who define political economy to be the science of wealth, or of exchanges, we have defined it as that "which treats of those phenomena of society which arise out of the desire of mankind to maintain and to improve their condition." This definition appears to cover a much wider field than the other, yet every matter of which we have treated would necessarily be brought into view, were our object only to show the causes which influence the production and distribution of wealth. Increased capital facilitates production and promotes the growth of population, while it enables men to live in closer connexion, and to combine their exertions for the increase of wealth. Increase of wealth affects the mode of distribution, and thence results change of political condition, and men enter upon the secure enjoyment of their rights of person and property. Improved political condition enables them to exercise their own judgment in the employment of their labour and capital, tending to render both more productive, thus facilitating the further improvement of physical and moral condition. Here, in the moral world, is a chain of circumstances as dependent upon, and as necessary to each other, as can be the members of any series in the physical world. Heat causes evaporation. The inferior specific gravity of vapour causes ascension. Cold causes condensation, and gravity returns to the earth the fluid necessary for the support of animal and vegetable life. To omit, in a treatise of political economy, any portion of the series which we have embraced in this work, would be similar to an investigation of the laws of fluids, omitting the consideration of evaporation or condensation. The one cannot continue to take place without the other, neither can there be a steady increase of productive power unaccompanied by physical, moral, intellectual, and political improvement, each tending to increase the facility of obtaining further wealth: nor can improvement of condition take place without increase in the power of production. They are as necessary to each other as evaporation and condensation.

The happiness of society is dependent upon its moral, physical, and political condition, yet it is denied that the political economist should concern himself with the happiness of nations—with human welfare—the subject to be treated of being wealth solely. By another writer it is asserted, that "the science of wealth may just as frequently lead to what will injure, as to what will benefit the human race." It is therefore believed that the laws of political economy afford rules that cannot be used as "the sole, or even the principal guides in the conduct of affairs." Our object, on the contrary, has been to show that those laws are exceedingly simple: that a compliance with them can never lead to the adoption of any measure that would not be dictated by an enlightened self-interest, while their study must tend to diminish selfishness, by showing that our interests are so interwoven with those of our fellow men, that injury to them is necessarily accompanied by injury to ourselves: that they are universally true and universally applicable, and that their universal adoption would be attended by a rapid improvement of physical, moral, intellectual, and political condition, increasing the happiness and prosperity of nations, giving them a constantly increasing facility for the further accumulation of wealth, and further improvement of condition. We leave the reader now to judge between the two definitions, and to determine for himself whether or not the happiness and welfare of nations come within the sphere of the political economist.

GEORGE BANCROFT

George Bancroft (1800–1891) had passed from schoolroom to politics when he delivered his lecture on the *Office of the People in Art, Government, and Religion* in 1835. He had been one of the first Americans to submit himself to the rigors of German university training, but on his return to the United States he decided that he could use his training more

usefully as a teacher than in the ministry for which he had been intended. After one unsuccessful attempt at transplanting German thoroughness to Harvard Greek classes and another at secondary education, Bancroft became a publicist and an active Jackson partisan.

He declared his allegiance in a *North American Review* article which had that somewhat surprised Whig organ approving Andrew Jackson's fight against the Bank, and then set about promoting union among anti-Whig groups in Massachusetts. At the same time, Bancroft began work on his *History of the United States*, the first volume of which appeared in September, 1834.

It has long been fashionable to remark that every line of Bancroft's history voted for Andrew Jackson. More illuminating would be the comment that Bancroft's was the first large-scale attempt by an American to write the history of the United States by a reasonably critical use of the sources, so far as those were available. Bancroft wrote in and for a world that regarded history as a branch of literature rather than as a social science, and he was thoroughly imbued with the Romantic view of the past.

The democratic faith which characterized Bancroft's history, and his politics, is evident in the discourse on the *Office of the People* which he delivered before a college literary society a year after his history appeared. All men are endowed with reason, Bancroft declared. And, since all men have this gift, the people are qualified to judge of values in all spheres, particularly in that of government. This fact is the true basis for popular government. Without an enlightened people, the work of a philosopher-king is doomed to futility, as the Antonines showed. The people collectively are wiser than the wisest individual, since their prejudices of ignorance may be removed by education whereas prejudices stemming from individual interest cannot be. Man was inherently good, Bancroft concluded; and his course was upward. Truth, like the race, was indestructible, for humanity was the guardian of moral truth, which must rise and prevail forever.

Bancroft followed that proclamation of political faith by stumping Massachusetts against the Whigs in an effort to unite the opposition. As the decade passed, the historian all but became political boss of the state when he was appointed Collector of the Port of Boston in 1838. Though Bancroft lost that post with the Whig triumph of 1840, his support of the candidacy of James K. Polk at the next Democratic Convention assured his political future. Polk appointed him Secretary of the Navy—where Bancroft not only outlined plans for the acquisition of California but laid the foundation for modern developments in naval training and the method of naval promotions. This was followed by his nomination as Minister to England. In that position, Bancroft had all but secured a favorable trade treaty when another Whig victory brought about his recall.

Bancroft retired into his historical writing during the Fifties, when four volumes of his history appeared. He supported Douglas in 1860 and considered himself a War Democrat during the years that followed, though he found fault with the Lincoln administration's reluctance to deal with slavery.

When the Civil War ended, Bancroft joined the moderates in support of President Johnson. He made a futile effort to win Sumner away from the Radicals and even drafted Johnson's first message to Congress. That effort may have prompted the new President to name Bancroft Minister to Prussia in 1867, a place Bancroft found particularly congenial because of his interest in the advancing cause of German unity, a phenomenon he regarded as analogous to the growth of the American republic. Through the seven years of his ministry, Bancroft showed his friendship for Prussia in so evident a fashion that, during the Franco-Prussian War, the French complained his attitude did not become the representative of a neutral power.

Bancroft retired in 1874 to spend the last of his life revising and completing his history, which he brought to a culmination in a pioneer

study of the adoption of the Constitution just as a new school of historians was about to consign his great work to the lumber room of "literature." For, between the first volume and the tenth, the theory of evolution had replaced the insights of the Transcendental Reason as the basis for historical interpretation.

The passage here reprinted is from Bancroft's *Literary and Historical Miscellanies* (New York, 1855).

The Office of the People

BY GEORGE BANCROFT

THE OFFICE OF THE PEOPLE IN ART, GOVERNMENT, AND RELIGION (AN ORATION DELIVERED BEFORE THE ADELPHI SOCIETY OF WILLIAMSTOWN COLLEGE, IN AUGUST, 1835)

THE MATERIAL WORLD does not change in its masses or in its powers. The stars shine with no more lustre than when they first sang together in the glory of their birth. The flowers that gemmed the fields and the forests, before America was discovered, now bloom around us in their season. The sun that shone on Homer shines on us in unchanging lustre. The bow that beamed on the patriarch still glitters in the clouds. Nature is the same. For her no new forces are generated; no new capacities are discovered. The earth turns on its axis, and perfects its revolutions, and renews its seasons, without increase or advancement.

But a like passive destiny does not attach to the inhabitants of the earth. For them the expectations of social improvement are no delusion; the hopes of philanthropy are more than a dream. The five senses do not constitute the whole inventory of our sources of knowledge. They are the organs by which thought connects itself with the external universe; but the power of thought is not merged in the exercise of its instruments. We have functions which connect us with heaven, as well as organs which set us in relation with earth. We have not merely the senses opening to us the external world, but an internal sense, which places us in connexion with the world of intelligence and the decrees of God.

There is a *spirit in man:* not in the privileged few; not in those of us only who by the favor of Providence have been nursed in public schools: IT IS IN MAN: it is the attribute of the race. The spirit, which is the guide to truth, is the gracious gift to each member of the human family.

Reason exists within every breast. I mean not that faculty which deduces inferences from the experience of the senses, but that higher faculty, which from the infinite treasures of its own consciousness, originates truth, and assents to it by the force of intuitive evidence; that faculty which raises us beyond the control of time and space, and gives us faith in things eternal and invisible. There is not the difference between one mind and another, which the pride of philosophers might conceive. To them no faculty is conceded, which does not belong to the meanest of their countrymen. . . .

In like manner the best government rests on the people and not on the few, on persons and not on property, on the free development of public opinion and not on authority; because the munificent Author of our being has conferred the gifts of mind upon every member of the human race without distinction of outward circumstances. Whatever of other possessions may be engrossed, mind asserts its own independence. Lands, estates, the produce of mines, the prolific abundance of the seas, may be usurped by a privileged class. Avarice, assuming the form of ambitious power, may grasp realm after realm, subdue continents, compass the earth in its schemes of aggrandizement, and sigh after other worlds; but mind eludes the power of appropriation; it exists only in its own individuality; it is a property which cannot be confiscated and cannot be torn away; it laughs at chains; it bursts from imprisonment; it defies monopoly. A government of equal rights must, therefore, rest upon mind; not wealth, not brute force, the sum of the moral intelligence of the community should rule the State. Prescription can no more assume to be a valid plea for political injustice; society studies to eradicate established abuses, and to bring social institutions and laws into harmony with moral right; not dismayed by the natural and necessary imperfections of all human effort, and not giving way to despair, because every hope does not at once ripen into fruit.

The public happiness is the true object of legislation, and can be secured only by the masses of mankind themselves awakening to the knowledge and the care of their own interests. Our free institutions have reversed the false and ignoble distinctions between men; and refusing to gratify the

pride of caste, have acknowledged the common mind to be the true material for a commonwealth. Every thing has hitherto been done for the happy few. It is not possible to endow an aristocracy with greater benefits than they have already enjoyed; there is no room to hope that individuals will be more highly gifted or more fully developed than the greatest sages of past times. The world can advance only through the culture of the moral and intellectual powers of the people. To accomplish this end by means of the people themselves, is the highest purpose of government. If it be the duty of the individual to strive after a perfection like the perfection of God, how much more ought a nation to be the image of Deity. The common mind is the true Parian marble, fit to be wrought into likeness to a God. The duty of America is to secure the culture and the happiness of the masses by their reliance on themselves.

The absence of the prejudices of the old world leaves us here the opportunity of consulting independent truth; and man is left to apply the instinct of freedom to every social relation and public interest. We have approached so near to nature, that we can hear her gentlest whispers; we have made Humanity our lawgiver and our oracle; and, therefore, the nation receives, vivifies and applies principles, which in Europe the wisest accept with distrust. Freedom of mind and of conscience, freedom of the seas, freedom of industry, equality of franchises, each great truth is firmly grasped, comprehended and enforced; for the multitude is neither rash nor fickle. In truth, it is less fickle than those who profess to be its guides. Its natural dialectics surpass the logic of the schools. Political action has never been so consistent and so unwavering, as when it results from a feeling or a principle, diffused through society. The people is firm and tranquil in its movements, and necessarily acts with moderation, because it becomes but slowly impregnated with new ideas; and effects no changes, except in harmony with the knowledge which it has acquired. Besides, where it is permanently possessed of power, there exists neither the occasion nor the desire for frequent change. It is not the parent of tumult; sedition is bred in the lap of luxury, and its chosen emissaries are the beggared spendthrift and the impoverished libertine. The government by the people is in very truth the strongest government in the world. Discarding the implements of terror, it dares to rule by moral force, and has its citadel in the heart.

Such is the political system which rests on reason, reflection, and the free expression of deliberate choice. There may be those who scoff at the suggestion, that the decision of the whole is to be preferred to the judgment of the enlightened few. They say in their hearts that the masses are ignorant; that farmers know nothing of legislation; that mechanics should not quit their workshops to join in forming public opinion. But true political science does indeed venerate the masses. It maintains, not as has been perversely asserted, that "the people can make right," but that the people can DISCERN right. Individuals are but shadows, too often engrossed by the pursuit of shadows; the race is immortal: individuals are of limited sagacity; the common mind is infinite in its experience: individuals are languid and blind; the many are ever wakeful: individuals are corrupt; the race has been redeemed: individuals are time-serving; the masses are fearless: individuals may be false, the masses are ingenuous and sincere: individuals claim the divine sanction of truth for the deceitful conceptions of their own fancies; the Spirit of God breathes through the combined intelligence of the people. Truth is not to be ascertained by the impulses of an individual; it emerges from the contradictions of personal opinions; it raises itself in majestic serenity above the strifes of parties and the conflict of sects; it acknowledges neither the solitary mind, nor the separate faction as its oracle; but owns as its only faithful interpreter the dictates of pure reason itself, proclaimed by the general voice of mankind. The decrees of the universal conscience are the nearest approach to the presence of God in the soul of man.

Thus the opinion which we respect is, indeed, not the opinion of one or of a few, but the sagacity of the many. It is hard for the pride of cultivated philosophy to put its ear to the ground, and listen reverently to the voice of lowly humanity; yet the people collectively are wiser than the most gifted individual, for all his wisdom constitutes but a part of theirs. When the great sculptor of Greece was endeavoring to fashion the perfect model of beauty, he did not passively imitate the form of the loveliest woman of his age; but he gleaned the several lineaments of his faultless work from the many. And so it is, that a perfect judgment is the result of comparison, when error eliminates error, and truth is established by concurring witnesses. The organ of truth is the invisible decision of the unbiased world; she pleads before no tribunal but public opinion; she owns no safe interpreter but the common mind; she knows no court of appeals but the soul of humanity. It is when the multitude give counsel, that right purposes find safety; theirs is the fixedness that cannot be shaken; theirs is the understanding

which exceeds in wisdom; theirs is the heart, of which the largeness is as the sand on the sea-shore.

It is not by vast armies, by immense natural resources, by accumulations of treasure, that the greatest results in modern civilization have been accomplished. The traces of the career of conquest pass away, hardly leaving a scar on the national intelligence. The famous battle grounds of victory are, most of them, comparatively indifferent to the human race; barren fields of blood, the scourges of their times, but affecting the social condition as little as the raging of a pestilence. Not one benevolent institution, not one ameliorating principle in the Roman state, was a voluntary concession of the aristocracy; each useful element was borrowed from the Democracies of Greece, or was a reluctant concession to the demands of the people. The same is true in modern political life. It is the confession of an enemy to Democracy, that "ALL THE GREAT AND NOBLE INSTITUTIONS OF THE WORLD HAVE COME FROM POPULAR EFFORTS."

It is the uniform tendency of the popular element to elevate and bless Humanity. The exact measure of the progress of civilization is the degree in which the intelligence of the common mind has prevailed over wealth and brute force; in other words, the measure of the progress of civilization is the progress of the people. Every great object, connected with the benevolent exertions of the day, has reference to the culture of those powers which are alone the common inheritance. For this the envoys of religion cross seas, and visit remotest isles; for this the press in its freedom teems with the productions of maturest thought; for this the philanthropist plans new schemes of education; for this halls in every city and village are open to the public instructor. Not that we view with indifference the glorious efforts of material industry; the increase in the facility of internal intercourse; the accumulations of thrifty labor; the varied results of concentrated action. But even there it is mind that achieves the triumph. It is the genius of the architect that gives beauty to the work of human hands, and makes the temple, the dwelling, or the public edifice, an outward representation of the spirit of propriety and order. It is science that guides the blind zeal of cupidity to the construction of the vast channels of communication, which are fast binding the world into one family. And it is as a method of moral improvement, that these swifter means of intercourse derive their greatest value. Mind becomes universal property; the poem that is published on the soil of England, finds its response on the shores of Lake Erie and the banks of the Missouri, and is admired near the sources of the Ganges. The defence of public liberty in our own halls of legislation penetrates the plains of Poland, is echoed along the mountains of Greece, and pierces the darkest night of eastern despotism.

The universality of the intellectual and moral powers, and the necessity of their development for the progress of the race, proclaim the great doctrine of the natural right of every human being to moral and intellectual culture. It is the glory of our fathers to have established in their laws the equal claims of every child to the public care of its morals and its mind. From this principle we may deduce the universal right to leisure; that is, to time not appropriated to material purposes, but reserved for the culture of the moral affections and the mind. It does not tolerate the exclusive enjoyment of leisure by a privileged class; but defending the rights of labor, would suffer none to sacrifice the higher purposes of existence in unceasing toil for that which is not life. Such is the voice of nature; such the conscious claim of the human mind. The universe opens its pages to every eye; the music of creation resounds in every ear; the glorious lessons of immortal truth, that are written in the sky and on the earth, address themselves to every mind, and claim attention from every human being. God has made man upright, that he might look before and after; and he calls upon every one not merely to labor, but to reflect; not merely to practise the revelations of divine will, but to contemplate the displays of divine power. Nature claims for every man leisure, for she claims every man as a witness to the divine glory, manifested in the created world.

THE AMERICAN SCENE

ALEXIS DE TOCQUEVILLE

In 1831, two young Frenchmen arrived in the United States commissioned, at their own request, to study the new departures which the young republic was making in prison discipline. After their return to France, they published a report embodying their observations and their recommendations for the reform of the penal system of France. Not long afterward, political pressure on one of the companions, who held a judicial post in which the other was his subordinate, led both to resign. And, in the retirement which followed, Alexis de Tocqueville (1805–1859) wrote *Democracy in America*, one of the few descriptions of Andrew Jackson's America which pays small attention to tobacco-chewing, thunderstorms or the rambunctious American child.

Tocqueville's concern lay in this new thing that was developing in the Western World: the United States had weathered its first half-century under the Constitution. A democratic republic might still be considered an experiment, but in stability, at least, it compared favorably with all but the more despotic regimes of Europe. All constitutional governments had been forced into change during the period of American independence, and that change had been in the democratic direction.

What was democracy, then, and what did its advance mean to the world? Would man have more liberty under democratic government, or would despotism mask under new names?

Examination of the United States might help answer those questions, for in the United States democratic government was being practiced on a great scale. The largest republic since Rome's constitution had been subverted was living that the world might learn.

Tocqueville was a member of what may be termed the administrative aristocracy. His father had been a prefect under the Empire and the Restoration. Tocqueville himself was born in 1805 and was reared during the troubled period when returned *emigrés* exhibited a royalism more intense than that of royalty itself and demonstrated their unwillingness to accept the tendency toward middle-class mastery in the state.

Tocqueville had the tastes of an aristocrat: every line of his writing is informed with suspicion of the restless surgings of a self-seeking, fluid society. There can be no peace in such a culture, and small dignity. Men's minds will necessarily turn to the petty ends of personal advantage, and so be formed to poverty of the spirit. Yet the old hierarchical society had stagnated and died.

The world, therefore, says Tocqueville, must learn to live in the new ways and to win what graciousness it might expect of them. Though, if the United States was the pattern of democracy, the world had little to hope on that score. Democratic societies valued equality above true liberty. Public opinion, reigning unchecked and unguided by aristocratic standards, would become a tyrant imposing uniformity in obedience to its will. Where no man stood secure in his position but all risked either advancement or decline, life would become continued battle. Temperaments would grow restless, accordingly, and dignified repose pass from the social scene. Art would devote itself to ornamentation, science concentrate on matters that could be turned to practical profit, and the grandly contemplative branches of learning wither and atrophy, leaving the body politic without roots to sustain it.

On the other hand, democratic societies would make great advances on the material level. The flux encouraged by democracy fosters the liberation of energy; the abilities of all classes are then enabled to serve individuals and society. Democratic societies would increase in prosperity until wealth reached the point of concentration, when new elements might come forward to check the progress of equality. Democratic societies might be more pleasant dwelling places than their predecessors, as cruelty tended to disappear and politeness became the mark of all social intercourse rather than a mere intraclass practice. Probity and good will would supplant honor as the chief among virtues and virtue itself would lose its old Roman connotations to become a gentler and more pallid concept, applicable chiefly to women.

There was much good in democracy: it promoted strong and stable government, for example, and since it resented the aristocratic pretensions latent in all military leadership, democracy might tend to maintain peace among nations. Contrary to general belief, however, it was order, not liberty, which was democracy's great contribution to government. Democracy bore no necessary relation to liberty, for democratic government might exercise more effective compulsion than any, since it drew its authority from the very fountain of power, the consent of the governed. Time might even prove democracy the most formidable of despotisms: it erased all distinctions among citizens and, by eradicating special privilege before the law, leveled the subtle social barriers that once had blocked the arm of political power.

Democracy in America won immediate praise upon its publication in 1835. France, and all Europe that read French, studied Tocqueville, finding small comfort in his reservations concerning the human worth of what he regarded as the inevitable course of events. America read him, too, not quite comfortably, yet determined to be pleased. And it continues to read Tocqueville as one of the most searching analyses of the American mind and its promise.

The selections here reprinted are from Volume II of the Phillips Bradley edition of *Democracy in America* (New York, 1945) and are published by permission of Alfred A. Knopf, Inc.

Democracy in America

BY ALEXIS DE TOCQUEVILLE

VOLUME II, BOOK I. CHAPTER X: WHY THE AMERICANS ARE MORE ADDICTED TO PRACTICAL THAN TO THEORETICAL SCIENCE

IF A DEMOCRATIC state of society and democratic institutions do not retard the onward course of the human mind, they incontestably guide it in one direction in preference to another. Their efforts, thus circumscribed, are still exceedingly great, and I may be pardoned if I pause for a moment to contemplate them.

I had occasion, in speaking of the philosophical method of the American people, to make several remarks that it is necessary to make use of here.

Equality begets in man the desire of judging of everything for himself; it gives him in all things a taste for the tangible and the real, a contempt for tradition and for forms. These general tendencies are principally discernible in the peculiar subject of this chapter.

Those who cultivate the sciences among a democratic people are always afraid of losing their way in visionary speculation. They mistrust systems; they adhere closely to facts and study facts with their own senses. As they do not easily defer to the mere name of any fellow man, they are never inclined to rest upon any man's authority; but, on the contrary, they are unremitting in their efforts to find out the weaker points of their neighbors' doctrine. Scientific precedents have little weight with them; they are never long detained by the subtlety of the schools nor ready to accept big words for sterling coin; they penetrate, as far as they can, into the principal parts of the subject that occupies them, and they like to expound them in the popular language. Scientific

pursuits then follow a freer and safer course, but a less lofty one.

The mind, it appears to me, may divide science into three parts.

The first comprises the most theoretical principles and those more abstract notions whose application is either unknown or very remote.

The second is composed of those general truths that still belong to pure theory, but lead nevertheless by a straight and short road to practical results.

Methods of application and means of execution make up the third.

Each of these different portions of science may be separately cultivated, although reason and experience prove that no one of them can prosper long if it is absolutely cut off from the two others.

In America the purely practical part of science is admirably understood, and careful attention is paid to the theoretical portion which is immediately requisite to application. On this head the Americans always display a clear, free, original, and inventive power of mind. But hardly anyone in the United States devotes himself to the essentially theoretical and abstract portion of human knowledge. In this respect the Americans carry to excess a tendency that is, I think, discernible, though in a less degree among all democratic nations.

Nothing is more necessary to the culture of the higher sciences or of the more elevated departments of science than meditation; and nothing is less suited to meditation than the structure of democratic society. We do not find there, as among an aristocratic people, one class that keeps quiet because it is well off; and another that does not venture to stir because it despairs of improving its condition. Everyone is in motion, some in quest of power, others of gain. In the midst of this universal tumult, this incessant conflict of jarring interests, this continual striving of men after fortune, where is that calm to be found which is necessary for the deeper combinations of the intellect? How can the mind dwell upon any single point when everything whirls around it, and man himself is swept and beaten onwards by the heady current that rolls all things in its course?

You must make the distinction between the sort of permanent agitation that is characteristic of a peaceful democracy and the tumultuous and revolutionary movements that almost always attend the birth and growth of democratic society. When a violent revolution occurs among a highly civilized people, it cannot fail to give a sudden impulse to their feelings and ideas. This is more peculiarly true of democratic revolutions, which stir up at once all the classes of which a people is composed and beget at the same time inordinate ambition in the breast of every member of the community. The French made surprising advances in the exact sciences at the very time at which they were finishing the destruction of the remains of their former feudal society; yet this sudden fecundity is not to be attributed to democracy, but to the unexampled revolution that attended its growth. What happened at that period was a special incident, and it would be unwise to regard it as the test of a general principle.

Great revolutions are not more common among democratic than among other nations; I am even inclined to believe that they are less so. But there prevails among those populations a small, distressing motion, a sort of incessant jostling of men, which annoys and disturbs the mind without exciting or elevating it.

Men who live in democratic communities not only seldom indulge in meditation, but they naturally entertain very little esteem for it. A democratic state of society and democratic institutions keep the greater part of men in constant activity; and the habits of mind that are suited to an active life are not always suited to a contemplative one. The man of action is frequently obliged to content himself with the best he can get because he would never accomplish his purpose if he chose to carry every detail to perfection. He has occasion perpetually to rely on ideas that he has not had leisure to search to the bottom; for he is much more frequently aided by the seasonableness of an idea than by its strict accuracy; and in the long run he risks less in making use of some false principles than in spending his time in establishing all his principles on the basis of truth. The world is not led by long or learned demonstrations; a rapid glance at particular incidents, the daily study of the fleeting passions of the multitude, the accidents of the moment, and the art of turning them to account decide all its affairs.

In the ages in which active life is the condition of almost everyone, men are generally led to attach an excessive value to the rapid bursts and superficial conceptions of the intellect, and on the other hand to undervalue unduly its slower and deeper labors. This opinion of the public influences the judgment of the men who cultivate the sciences; they are persuaded that they may succeed in those pursuits without meditation, or are deterred from such pursuits as demand it.

There are several methods of studying the sciences. Among a multitude of men you will find a selfish, mercantile, and trading taste for the discoveries of the mind, which must not be con-

founded with that disinterested passion which is kindled in the heart of a few. A desire to utilize knowledge is one thing; the pure desire to know is another. I do not doubt that in a few minds and at long intervals an ardent, inexhaustible love of truth springs up, self-supported and living in ceaseless fruition, without ever attaining full satisfaction. It is this ardent love, this proud, disinterested love of what is true, that raises men to the abstract sources of truth, to draw their mother knowledge thence.

If Pascal had had nothing in view but some large gain, or even if he had been stimulated by the love of fame alone, I cannot conceive that he would ever have been able to rally all the powers of his mind, as he did, for the better discovery of the most hidden things of the Creator. When I see him, as it were, tear his soul from all the cares of life to devote it wholly to these researches and, prematurely snapping the links that bind the body to life, die of old age before forty, I stand amazed and perceive that no ordinary cause is at work to produce efforts so extraordinary.

The future will prove whether these passions, at once so rare and so productive, come into being and into growth as easily in the midst of democratic as in aristocratic communities. For myself, I confess that I am slow to believe it.

In aristocratic societies the class that gives the tone to opinion and has the guidance of affairs, being permanently and hereditarily placed above the multitude, naturally conceives a lofty idea of itself and of man. It loves to invent for him noble pleasures, to carve out splendid objects for his ambition. Aristocracies often commit very tyrannical and inhuman actions, but they rarely entertain grovelling thoughts; and they show a kind of haughty contempt of little pleasures, even while they indulge in them. The effect is to raise greatly the general pitch of society. In aristocratic ages vast ideas are commonly entertained of the dignity, the power, and the greatness of man. These opinions exert their influence on those who cultivate the sciences as well as on the rest of the community. They facilitate the natural impulse of the mind to the highest regions of thought, and they naturally prepare it to conceive a sublime, almost a divine love of truth.

Men of science at such periods are consequently carried away towards theory; and it even happens that they frequently conceive an inconsiderate contempt for practice. "Archimedes," says Plutarch, "was of so lofty a spirit that he never condescended to write any treatise on the manner of constructing all these engines of war. And as he held this science of inventing and putting together engines, and all arts generally speaking which tended to any useful end in practice, to be vile, low and mercenary, he spent his talents and his studious hours in writing only of those things whose beauty and subtlety had in them no admixture of necessity." Such is the aristocratic aim of science; it cannot be the same in democratic nations.

The greater part of the men who constitute these nations are extremely eager in the pursuit of actual and physical gratification. As they are always dissatisfied with the position that they occupy and are always free to leave it, they think of nothing but the means of changing their fortune or increasing it. To minds thus predisposed, every new method that leads by a shorter road to wealth, every machine that spares labor, every instrument that diminishes the cost of production, every discovery that facilitates pleasures or augments them, seems to be the grandest effort of the human intellect. It is chiefly from these motives that a democratic people addicts itself to scientific pursuits, that it understands and respects them. In aristocratic ages science is more particularly called upon to furnish gratification to the mind; in democracies, to the body.

You may be sure that the more democratic, enlightened, and free a nation is, the greater will be the number of these interested promoters of scientific genius and the more will discoveries immediately applicable to productive industry confer on their authors gain, fame, and even power. For in democracies the working class take a part in public affairs; and public honors as well as pecuniary remuneration may be awarded to those who deserve them.

In a community thus organized, it may easily be conceived the human mind may be led insensibly to the neglect of theory; and that it is urged, on the contrary, with unparalleled energy, to the applications of science, or at least to that portion of theoretical science which is necessary to those who make such applications. In vain will some instinctive inclination raise the mind towards the loftier spheres of the intellect; interest draws it down to the middle zone. There it may develop all its energy and restless activity and bring forth wonders. These very Americans who have not discovered one of the general laws of mechanics have introduced into navigation an instrument that changes the aspect of the world.

Assuredly I do not contend that the democratic nations of our time are destined to witness the extinction of the great luminaries of man's intelligence, or even that they will never bring new lights into existence. At the age at which the

world has now arrived, and among so many cultivated nations perpetually excited by the fervor of productive industry, the bonds that connect the different parts of science cannot fail to strike the observer; and the taste for practical science itself, if it is enlightened, ought to lead men not to neglect theory. In the midst of so many attempted applications of so many experiments repeated every day, it is almost impossible that general laws should not frequently be brought to light; so that great discoveries would be frequent, though great inventors may be few. . . .

Chapter XI: In What Spirit the Americans Cultivate the Arts

It would be to waste the time of my readers and my own if I strove to demonstrate how the general mediocrity of fortunes, the absence of superfluous wealth, the universal desire for comfort, and the constant efforts by which everyone attempts to procure it make the taste for the useful predominate over the love of the beautiful in the heart of man. Democratic nations, among whom all these things exist, will therefore cultivate the arts that serve to render life easy in preference to those whose object is to adorn it. They will habitually prefer the useful to the beautiful, and they will require that the beautiful should be useful.

But I propose to go further, and, after having pointed out this first feature, to sketch several others.

It commonly happens that in the ages of privilege the practice of almost all the arts becomes a privilege, and that every profession is a separate sphere of action, into which it is not allowable for everyone to enter. Even when productive industry is free, the fixed character that belongs to aristocratic nations gradually segregates all the persons who practice the same art till they form a distinct class, always composed of the same families, whose members are all known to each other and among whom a public opinion of their own and a species of corporate pride soon spring up. In a class or guild of this kind each artisan has not only his fortune to make, but his reputation to preserve. He is not exclusively swayed by his own interest or even by that of his customer, but by that of the body to which he belongs; and the interest of that body is that each artisan should produce the best possible workmanship. In aristocratic ages the object of the arts is therefore to manufacture as well as possible, not with the greatest speed or at the lowest cost.

When, on the contrary, every profession is open to all, when a multitude of persons are constantly embracing and abandoning it, and when its several members are strangers, indifferent and because of their numbers hardly seen by each other, the social tie is destroyed, and each workman, standing alone, endeavors simply to gain the most money at the least cost. The will of the customer is then his only limit. But at the same time a corresponding change takes place in the customer also. In countries in which riches as well as power are concentrated and retained in the hands of a few, the use of the greater part of this world's goods belongs to a small number of individuals, who are always the same. Necessity, public opinion, or moderate desires exclude all others from the enjoyment of them. As this aristocratic class remains fixed at the pinnacle of greatness on which it stands, without diminution or increase, it is always acted upon by the same wants and affected by them in the same manner. The men of whom it is composed naturally derive from their superior and hereditary position a taste for what is extremely well made and lasting. This affects the general way of thinking of the nation in relation to the arts. It often occurs among such a people that even the peasant will rather go without the objects he covets than procure them in a state of imperfection. In aristocracies, then, the handicraftsmen work for only a limited number of fastidious customers; the profit they hope to make depends principally on the perfection of their workmanship.

Such is no longer the case when, all privileges being abolished, ranks are intermingled and men are forever rising or sinking in the social scale. Among a democratic people a number of citizens always exists whose patrimony is divided and decreasing. They have contracted, under more prosperous circumstances, certain wants, which remain after the means of satisfying such wants are gone; and they are anxiously looking out for some surreptitious method of providing for them. On the other hand, there is always in democracies a large number of men whose fortune is on the increase, but whose desires grow much faster than their fortunes, and who gloat upon the gifts of wealth in anticipation, long before they have means to obtain them. Such men are eager to find some short cut to these gratifications, already almost within their reach. From the combination of these two causes the result is that in democracies there is always a multitude of persons whose wants are above their means and who are very willing to take up with imperfect satisfaction rather than abandon the object of their desires altogether.

The artisan readily understands these passions,

for he himself partakes in them. In an aristocracy he would seek to sell his workmanship at a high price to the few; he now conceives that the more expeditious way of getting rich is to sell them at a low price to all. But there are only two ways of lowering the price of commodities. The first is to discover some better, shorter, and more ingenious method of producing them; the second is to manufacture a larger quantity of goods, nearly similar, but of less value. Among a democratic population all the intellectual faculties of the workman are directed to these two objects: he strives to invent methods that may enable him not only to work better, but more quickly and more cheaply; or if he cannot succeed in that, to diminish the intrinsic quality of the thing he makes, without rendering it wholly unfit for the use for which it is intended. When none but the wealthy had watches, they were almost all very good ones; few are now made that are worth much, but everybody has one in his pocket. Thus the democratic principle not only tends to direct the human mind to the useful arts, but it induces the artisan to produce with great rapidity many imperfect commodities, and the consumer to content himself with these commodities.

Not that in democracies the arts are incapable, in case of need, of producing wonders. This may occasionally be so if customers appear who are ready to pay for time and trouble. In this rivalry of every kind of industry, in the midst of this immense competition and these countless experiments, some excellent workmen are formed who reach the utmost limits of their craft. But they rarely have an opportunity of showing what they can do; they are scrupulously sparing of their powers; they remain in a state of accomplished mediocrity, which judges itself, and, though well able to shoot beyond the mark before it, aims only at what it hits. In aristocracies, on the contrary, workmen always do all they can; and when they stop, it is because they have reached the limit of their art. . . .

The handicraftsmen of democratic ages not only endeavor to bring their useful productions within the reach of the whole community, but strive to give to all their commodities attractive qualities that they do not in reality possess. In the confusion of all ranks everyone hopes to appear what he is not, and makes great exertions to succeed in this object. This sentiment, indeed, which is only too natural to the heart of man, does not originate in the democratic principle; but that principle applies it to material objects. The hypocrisy of virtue is of every age, but the hypocrisy of luxury belongs more particularly to the ages of democracy.

To satisfy these new cravings of human vanity the arts have recourse to every species of imposture; and these devices sometimes go so far as to defeat their own purpose. Imitation diamonds are now made which may be easily mistaken for real ones; as soon as the art of fabricating false diamonds becomes so perfect that they cannot be distinguished from real ones, it is probable that both will be abandoned and become mere pebbles again.

This leads me to speak of those arts which are called, by way of distinction, the fine arts. I do not believe that it is a necessary effect of a democratic social condition and of democratic institutions to diminish the number of those who cultivate the fine arts, but these causes exert a powerful influence on the manner in which these arts are cultivated. Many of those who had already contracted a taste for the fine arts are impoverished; on the other hand, many of those who are not yet rich begin to conceive that taste, at least by imitation; the number of consumers increases, but opulent and fastidious consumers become more scarce. Something analogous to what I have already pointed out in the useful arts then takes place in the fine arts; the productions of artists are more numerous, but the merit of each production is diminished. No longer able to soar to what is great, they cultivate what is pretty and elegant, and appearance is more attended to than reality.

In aristocracies a few great pictures are produced; in democratic countries a vast number of insignificant ones. In the former statues are raised of bronze; in the latter, they are modeled in plaster.

When I arrived for the first time at New York, by that part of the Atlantic Ocean which is called the East River, I was surprised to perceive along the shore, at some distance from the city, a number of little palaces of white marble, several of which were of classic architecture. When I went the next day to inspect more closely one which had particularly attracted my notice, I found that its walls were of whitewashed brick, and its columns of painted wood. All the edifices that I had admired the night before were of the same kind.

The social condition and the institutions of democracy impart, moreover, certain peculiar tendencies to all the imitative arts, which it is easy to point out. They frequently withdraw them from the delineation of the soul to fix them exclusively on that of the body, and they substitute the representation of motion and sensation for

that of sentiment and thought; in a word, they put the real in the place of the ideal. . . .

VOLUME II, BOOK II. CHAPTER I: WHY DEMOCRATIC NATIONS SHOW A MORE ARDENT AND ENDURING LOVE OF EQUALITY THAN OF LIBERTY

The first and most intense passion that is produced by equality of condition is, I need hardly say, the love of that equality. My readers will therefore not be surprised that I speak of this feeling before all others.

Everybody has remarked that in our time, and especially in France, this passion for equality is every day gaining ground in the human heart. It has been said a hundred times that our contemporaries are far more ardently and tenaciously attached to equality than to freedom; but as I do not find that the causes of the fact have been sufficiently analyzed, I shall endeavor to point them out. It is possible to imagine an extreme point at which freedom and equality would meet and blend. Let us suppose that all the people take a part in the government, and that each one of them has an equal right to take a part in it. As no one is different from his fellows, none can exercise a tyrannical power; men will be perfectly free because they are all entirely equal; and they will all be perfectly equal because they are entirely free. To this ideal state democratic nations tend. This is the only complete form that equality can assume upon earth; but there are a thousand others which, without being equally perfect, are not less cherished by those nations.

The principle of equality may be established in civil society without prevailing in the political world. There may be equal rights of indulging in the same pleasures, of entering the same professions, of frequenting the same places; in a word, of living in the same manner and seeking wealth by the same means, although all men do not take an equal share in the government. A kind of equality may even be established in the political world though there should be no political freedom there. A man may be the equal of all his countrymen save one, who is the master of all without distinction and who selects equally from among them all the agents of his power. Several other combinations might be easily imagined by which very great equality would be united to institutions more or less free or even to institutions wholly without freedom.

Although men cannot become absolutely equal unless they are entirely free, and consequently equality, pushed to its furthest extent, may be confounded with freedom, yet there is good reason for distinguishing the one from the other. The taste which men have for liberty and that which they feel for equality are, in fact, two different things; and I am not unafraid to add that among democratic nations they are two unequal things.

Upon close inspection it will be seen that there is in every age some peculiar and preponderant fact with which all others are connected; this fact almost always gives birth to some pregnant idea or some ruling passion, which attracts to itself and bears away in its course all the feelings and opinions of the time; it is like a great stream towards which each of the neighboring rivulets seems to flow.

Freedom has appeared in the world at different times and under various forms; it has not been exclusively bound to any social condition, and it is not confined to democracies. Freedom cannot, therefore, form the distinguishing characteristic of democratic ages. The peculiar and preponderant fact that marks those ages as its own is the equality of condition; the ruling passion of men in those periods is the love of this equality. Do not ask what singular charm the men of democratic ages find in being equal, or what special reasons they may have for clinging so tenaciously to equality rather than to the other advantages that society holds out to them: equality is the distinguishing characteristic of the age they live in; that of itself is enough to explain that they prefer it to all the rest.

But independently of this reason there are several others which will at all times habitually lead men to prefer equality to freedom.

If a people could ever succeed in destroying, or even in diminishing, the equality that prevails in its own body, they could do so only by long and laborious efforts. Their social condition must be modified, their laws abolished, their opinions superseded, their habits changed, their manners corrupted. But political liberty is more easily lost; to neglect to hold it fast is to allow it to escape. Therefore not only do men cling to equality because it is dear to them; they also adhere to it because they think it will last forever.

That political freedom in its excesses may compromise the tranquillity, the property, the lives of individuals is obvious even to narrow and unthinking minds. On the contrary, none but attentive and clear-sighted men perceive the perils with which equality threatens us, and they commonly avoid pointing them out. They know that the calamities they apprehend are remote and flatter themselves that they will only fall upon future

generations, for which the present generation takes but little thought. The evils that freedom sometimes brings with it are immediate; they are apparent to all, and all are more or less affected by them. The evils that extreme equality may produce are slowly disclosed; they creep gradually into the social frame; they are seen only at intervals; and at the moment at which they become most violent, habit already causes them to be no longer felt.

The advantages that freedom brings are shown only by the lapse of time, and it is always easy to mistake the cause in which they originate. The advantages of equality are immediate, and they may always be traced from their source.

Political liberty bestows exalted pleasures from time to time upon a certain number of citizens. Equality every day confers a number of small enjoyments on every man. The charms of equality are every instant felt and are within the reach of all; the noblest hearts are not insensible to them, and the most vulgar souls exult in them. The passion that equality creates must therefore be at once strong and general. Men cannot enjoy political liberty unpurchased by some sacrifices, and they never obtain it without great exertions. But the pleasures of equality are self-proffered; each of the petty incidents of life seems to occasion them, and in order to taste them, nothing is required but to live.

Democratic nations are at all times fond of equality, but there are certain epochs at which the passion they entertain for it swells to the height of fury. This occurs at the moment when the old social system, long menaced, is overthrown after a severe internal struggle, and the barriers of rank are at length thrown down. At such times men pounce upon equality as their booty, and they cling to it as to some precious treasure which they fear to lose. The passion for equality penetrates on every side into men's hearts, expands there, and fills them entirely. Tell them not that by this blind surrender of themselves to an exclusive passion they risk their dearest interests; they are deaf. Show them not freedom escaping from their grasp while they are looking another way; they are blind, or rather they can discern but one object to be desired in the universe. . . .

Chapter XIX: What Causes Almost All Americans to Follow Industrial Callings

Agriculture is perhaps, of all the useful arts, that which improves most slowly among democratic nations. Frequently, indeed, it would seem to be stationary, because other arts are making rapid strides towards perfection. On the other hand, almost all the tastes and habits that the equality of condition produces naturally lead men to commercial and industrial occupations.

Suppose an active, enlightened, and free man, enjoying a competency, but full of desires; he is too poor to live in idleness, he is rich enough to feel himself protected from the immediate fear of want, and he thinks how he can better his condition. This man has conceived a taste for physical gratifications, which thousands of his fellow men around him indulge in; he has himself begun to enjoy these pleasures, and he is eager to increase his means of satisfying these tastes more completely. But life is slipping away, time is urgent; to what is he to turn? The cultivation of the ground promises an almost certain result to his exertions, but a slow one; men are not enriched by it without patience and toil. Agriculture is therefore only suited to those who already have great superfluous wealth or to those whose penury bids them seek only a bare subsistence. The choice of such a man as we have supposed is soon made; he sells his plot of ground, leaves his dwelling, and embarks on some hazardous but lucrative calling.

Democratic communities abound in men of this kind; and in proportion as the equality of conditions becomes greater, their multitude increases. Thus, democracy not only swells the number of working-men, but leads men to prefer one kind of labor to another; and while it diverts them from agriculture, it encourages their taste for commerce and manufactures.

This spirit may be observed even among the richest members of the community. In democratic countries, however opulent a man is supposed to be, he is almost always discontented with his fortune because he finds that he is less rich than his father was, and he fears that his sons will be less rich than himself. Most rich men in democracies are therefore constantly haunted by the desire of obtaining wealth, and they naturally turn their attention to trade and manufactures, which appear to offer the readiest and most efficient means of success. In this respect they share the instincts of the poor without feeling the same necessities; say, rather, they feel the most imperious of all necessities, that of not sinking in the world.

In aristocracies the rich are at the same time the governing power. The attention that they unceasingly devote to important public affairs diverts them from the lesser cares that trade and manufactures demand. But if an individual happens to turn his attention to business, the will of the body to which he belongs will immediately prevent him from pursuing it; for, however men may declaim against the rule of numbers, they

cannot wholly escape it; and even among those aristocratic bodies that most obstinately refuse to acknowledge the rights of the national majority, a private majority is formed which governs the rest.

In democratic countries, where money does not lead those who possess it to political power, but often removes them from it, the rich do not know how to spend their leisure. They are driven into active life by the disquietude and the greatness of their desires, by the extent of their resources, and by the taste for what is extraordinary, which is almost always felt by those who rise, by whatever means, above the crowd. Trade is the only road open to them. In democracies nothing is greater or more brilliant than commerce; it attracts the attention of the public and fills the imagination of the multitude; all energetic passions are directed towards it. Neither their own prejudices nor those of anybody else can prevent the rich from devoting themselves to it. The wealthy members of democracies never form a body which has manners and regulations of its own; the opinions peculiar to their class do not restrain them, and the common opinions of their country urge them on. Moreover, as all the large fortunes that are found in a democratic community are of commercial growth, many generations must succeed one another before their possessors can have entirely laid aside their habits of business.

Circumscribed within the narrow space that politics leaves them, rich men in democracies eagerly embark in commercial enterprise; there they can extend and employ their natural advantages, and, indeed, it is even by the boldness and the magnitude of their industrial speculations that we may measure the slight esteem in which productive industry would have been held by them if they had been born in an aristocracy.

A similar observation is likewise applicable to all men living in democracies, whether they are poor or rich. Those who live in the midst of democratic fluctuations have always before their eyes the image of chance; and they end by liking all undertakings in which chance plays a part. They are therefore all led to engage in commerce, not only for the sake of the profit it holds out to them, but for the love of the constant excitement occasioned by that pursuit.

The United States of America has only been emancipated for half a century from the state of colonial dependence in which it stood to Great Britain; the number of large fortunes there is small, and capital is still scarce. Yet no people in the world have made such rapid progress in trade and manufactures as the Americans; they constitute at the present day the second maritime nation in the world, and although their manufactures have to struggle with almost insurmountable natural impediments, they are not prevented from making great and daily advances.

In the United States the greatest undertakings and speculations are executed without difficulty, because the whole population are engaged in productive industry, and because the poorest as well as the most opulent members of the commonwealth are ready to combine their efforts for these purposes. The consequence is that a stranger is constantly amazed by the immense public works executed by a nation which contains, so to speak, no rich men. The Americans arrived but as yesterday on the territory which they inhabit, and they have already changed the whole order of nature for their own advantage. They have joined the Hudson to the Mississippi and made the Atlantic Ocean communicate with the Gulf of Mexico, across a continent of more than five hundred leagues in extent which separates the two seas. The longest railroads that have been constructed up to the present time are in America.

But what most astonishes me in the United States is not so much the marvelous grandeur of some undertakings as the innumerable multitude of small ones. Almost all the farmers of the United States combine some trade with agriculture; most of them make agriculture itself a trade. It seldom happens that an American farmer settles for good upon the land which he occupies; especially in the districts of the Far West, he brings land into tillage in order to sell it again, and not to farm it; he builds a farmhouse on the speculation that, as the state of the country will soon be changed by the increase of population, a good price may be obtained for it.

Every year a swarm of people from the North arrive in the Southern states and settle in the parts where the cotton plant and the sugar-cane grow. These men cultivate the soil in order to make it produce in a few years enough to enrich them; and they already look forward to the time when they may return home to enjoy the competency thus acquired. Thus the Americans carry their businesslike qualities into agriculture, and their trading passions are displayed in that as in their other pursuits.

The Americans make immense progress in productive industry, because they all devote themselves to it at once; and for this same reason they are exposed to unexpected and formidable embarrassments. As they are all engaged in commerce, their commercial affairs are affected by such various and complex causes that it is impossible to

foresee what difficulties may arise. As they are all more or less engaged in productive industry, at the least shock given to business all private fortunes are put in jeopardy at the same time, and the state is shaken. I believe that the return of these commercial panics is an endemic disease of the democratic nations of our age. It may be rendered less dangerous, but it cannot be cured, because it does not originate in accidental circumstances, but in the temperament of these nations.

AMERICAN PROBLEMS

BUSINESS ENTERPRISE

THE TYPICAL AMERICAN businessman of this period continued to be a merchant, in this sense not differing markedly from his earlier colonial prototype. He financed many trading voyages; he was interested in the domestic wholesale trade; he was a banker and a dealer in wild and improved lands. In New England—but almost exclusively there; certainly this was less true of New York and Philadelphia businessmen—after the War of 1812 and during the 1820s and 1830s, businessmen began to show an increasing interest in the development of cotton manufacture. These merchants—Nathan Appleton and Abbott Lawrence are good examples of the type—moved over from merchandizing almost completely into manufacturing. Patrick Tracy Jackson is an example of the same shift in interest. His biography is presented here.

A word first about the greatest of the early national merchants, Stephen Girard (1750–1831). Girard was born at Bordeaux and came to America in 1774 when he was unable to pay his creditors the full amount he owed them. Though he lost by privateering ventures during the Revolution, he prospered in the trade with San Domingo and later in the carrying trade during the Napoleonic wars. By 1812, his gains could not be profitably invested in shipping alone and he turned to banking, establishing the first private bank in the United States. Girard helped float the government loan of sixteen millions during the War of 1812 and later aided in setting up the Second Bank of the United States both by pushing the plan for it and by buying its stock when other investors refused.

In 1815, Girard was worth $1,800,000 in the capital of his bank, paid one one-hundredth of the total real estate tax of Philadelphia and had such large liquid assets that he could carry on his maritime business without discount. "All this I owe principally to my close attention to business and to the resources which this fine country affords to all active and industrious men," he told a correspondent. Girard continued to prosper during the next fifteen years. Though he had two nephews whom he had reared and educated "in the best country and under the best government in the world," he left the bulk of his estate to improve the Philadelphia waterfront and to give its white orphan boys a good education for the practice of commerce and the trades.

Nathan Appleton (1779–1861) and Abbott Lawrence (1792–1855) each made the nucleus of his fortune in shipping. Neither, however, was concerned with banking, as Girard had been, but with the new enterprise of manufactures. Appleton met Francis C. Lowell in Edinburgh in 1811. Lowell was already interested in the cotton textile industry and Appleton agreed to cooperate with him in the effort to naturalize the new machinery and methods in the United States. The first attempt was made at Waltham, Massachusetts, during 1814–16. This enterprise was so successful that the company decided to enter on the manufacture of printed as well as of plain cloth. Though Appleton had been so doubtful of the success of the first venture that he would take only half the $10,000 worth of stock urged on him, he went into the new project wholeheartedly. After exploration, the old Pawtucket canal was suggested as a site affording good water power. The land was bought up and a corporation was organized to control the water rights and build machinery. A second

corporation, in which the directors of the first had a large interest, was set up to do the actual manufacturing. A new town grew up about the mills and the city of Lowell came into being. In spite of the abundance of land and dearness of labor which had been cited as dooming American manufactures to failure, the use of girl workers and improved machinery, together with the lower price of raw material, made Lowell a successful enterprise and a perpetual argument for the physical, moral, and economic salubrity of manufacturing industry.

In his *Lives of American Merchants* (2 vols., New York, 1856–1858) Freeman Hunt (1804–1858) describes the careers of these and other American businessmen. Though Hunt's collection extols the merchant and man of business, he is not an uncritical worshiper of success. Wealth has a social obligation, Hunt maintains, and money should be made in honorable ways. Hunt himself was a New Englander who rose from press and type case to the editor's desk and the publisher's counting room. He left Boston for New York in 1839 and established the *Merchants' Magazine*, which remains a useful source of information about the opinions of the business community of the period. Both the *Lives of American Merchants* and the more popular *Worth and Wealth* are largely edited from its pages. The biography of Patrick Tracy Jackson here reprinted is taken from Volume I of the *Lives*.

Lives of American Merchants

BY FREEMAN HUNT

PATRICK TRACY JACKSON

. . . PATRICK TRACY JACKSON was born at Newburyport, on the 14th of August, 1780. He was the youngest son of the Hon. Jonathan Jackson, a member of the Continental Congress in 1782, Marshal of the District of Massachusetts under Washington, first Inspector, and afterward Supervisor of the Internal Revenue, Treasurer of the Commonwealth for five years, and, at the period of his death, Treasurer of Harvard College; a man distinguished among the old-fashioned gentlemen of that day for the dignity and grace of his deportment, but much more so for his intelligence, and the fearless, almost Roman inflexibility of his principles.

His maternal grandfather, from whom he derived his name, was Patrick Tracy, an opulent merchant of Newburyport—an Irishman by birth, who, coming to this country at an early age, poor and friendless, had raised himself, by his own exertions, to a position which his character, universally esteemed by his fellow-citizens, enabled him adequately to sustain.

The subject of this memoir received his early education at the public schools of his native town, and afterward at Dunmore Academy. When about fifteen years old, he was apprenticed to the late William Bartlett, then the most enterprising and richest merchant of Newburyport, and since well known for his munificent endowment of the institution at Andover. In this new position, which, with the aristocratic notions of that day, might have been regarded by some youth as derogatory, young Patrick took especial pains to prove to his master that he had not been educated to view any thing as disgraceful which it was his duty to do. He took pride in throwing himself into the midst of the labor and responsibility of the business. In so doing he gratified a love of activity and usefulness, which belonged to his character, at the same time that he satisfied his sense of duty. And yet, while thus ready to work, he did not lose his keen relish for the enjoyments of youth; and would often, after a day of intense bodily labor, be foremost in the amusements of the social circle in the evening.

He soon secured the esteem and confidence of Mr. Bartlett, who intrusted to him, when under twenty years of age, a cargo of merchandise for St. Thomas, with authority to take the command of the vessel from the captain, if he should see occasion.

After his return from this voyage, which he successfully conducted, an opportunity offered for a more extended enterprise. His brother, Captain Henry Jackson, who was about six years older than himself, and to whom he was warmly attached, was on the point of sailing for Madras and Calcutta, and offered to take Patrick with him as captain's clerk. The offer was a tempting one. It would open to him a branch of commerce

in which his master, Bartlett, had not been engaged, but which was, at that time, one of great profit to the enterprising merchants of this country. The English government then found it for their interest to give us great advantages in the Bengal trade; while our neutral position, during the long wars of the French revolution, enabled us to monopolize the business of supplying the continent of Europe with the cotton and other products of British India. An obstacle, however, interposed—our young apprentice was not of age; and the indentures gave to his master the use of his services till that period should be completed. With great liberality, Mr. Bartlett, on being informed of the circumstances, relinquished his claim.

It was very nearly the first day of the present century, when Mr. Jackson commenced his career as a free man. Already familiar with many things pertaining to a sea life, he occupied his time on board ship in acquiring a knowledge of navigation, and of seamanship. His brother, who delighted in his profession, and was a man of warm and generous affections, was well qualified and ready to instruct him. These studies, with his previous mercantile experience, justified him, on his return from India, in offering to take charge of a ship and cargo in the same trade. This he did, with complete success, for three successive voyages, and established his reputation for enterprise and correctness in business.

On the last of these occasions, he happened to be at the Cape of Good Hope when that place was taken from the Dutch by the English, under Sir David Baird, in January, 1806. This circumstance caused a derangement in his mercantile operations, involving a detention of about a year at the Cape, and leading him subsequently to embark in some new adventures; and he did not reach home until 1808, after an absence of four years.

Having now established his reputation, and acquired some capital, he relinquished the sea, and entered into commercial pursuits at Boston. His long acquaintance with the India trade eminently fitted him for that branch of business; and he had the support and invaluable counsels of his brother-in-law, the late Francis C. Lowell. He entered largely into this business, both as an importer and speculator. The same remarkable union of boldness and sound judgment, which characterized him in later days, contributed to his success, and his credit soon became unbounded. . . . At this period, circumstances led him into a new branch of business, which influenced his whole future life.

Mr. Lowell had just returned to this country, after a long visit to England and Scotland. While abroad, he had conceived the idea that the cotton manufacture, then almost monopolized by Great Britain, might be advantageously prosecuted here. The use of machinery was daily superseding the former manual operations; and it was known that power-looms had recently been introduced, though the mode of constructing them was kept secret. The cheapness of labor, and abundance of capital, were advantages in favor of the English manufacturer—they had skill and reputation. On the other hand, they were burdened with the taxes of a prolonged war. We could obtain the raw material cheaper, and had a great superiority in the abundant water-power, then unemployed, in every part of New England. It was also the belief of Mr. Lowell, that the character of our population, educated, moral, and enterprising as it then was, could not fail to secure success, when brought into competition with their European rivals; and it is no small evidence of the far-reaching views of this extraordinary man, and his early colleagues, that their very first measures were such as should secure that attention to education and morals among the manufacturing population, which they believed to be the corner-stone of any permanent success.

Impressed with these views, Mr. Lowell determined to bring them to the test of experiment. So confident was he in his calculations, that he thought he could in no way so effectually assist the fortunes of his relative, Mr. Jackson, as by offering him a share in the enterprise. Great were the difficulties that beset the new undertaking. The state of war prevented any communication with England. Not even books and designs, much less models, could be procured. The structure of the machinery, the materials to be used in the construction, the very tools of the machine-shop, the arrangement of the mill, and the size of its various apartments—all these were to be, as it were, reinvented. But Mr. Jackson's was not a spirit to be appalled by obstacles. He entered at once into the project, and devoted to it, from that moment, all the time that could be spared from his mercantile pursuits.

The first object to be accomplished, was to procure a power-loom. To obtain one from England was, of course, impracticable; and, although there were many patents for such machines in our Patent Office, not one had yet exhibited sufficient merit to be adopted into use. Under these circumstances, but one resource remained—to invent one themselves; and this these earnest men at once set about. Unacquainted as they were with machinery, in practice, they dared, nevertheless, to

attempt the solution of a problem that had baffled the most ingenious mechanicians. In England, the power-loom had been invented by a clergyman, and why not here by a merchant? After numerous experiments and failures, they at last succeeded, in the autumn of 1812, in producing a model which they thought so well of as to be willing to make preparations for putting up a mill, for the weaving of cotton cloth. It was now necessary to procure the assistance of a practical mechanic, to aid in the construction of the machinery; and the friends had the good fortune to secure the services of Mr. Paul Moody, afterward so well known as the head of the machine-shop at Lowell.

They found, as might naturally be expected, many defects in their model loom; but these were gradually remedied. The project hitherto had been exclusively for a weaving-mill, to do by power what had before been done by hand-looms. But it was ascertained, on inquiry, that it would be more economical to spin the twist, rather than to buy it; and they put up a mill for about one thousand seven hundred spindles, which was completed late in 1813. It will probably strike the reader with some astonishment to be told that this mill, still in operation at Waltham, was probably the first one in the world that combined all the operations necessary for converting the raw cotton into finished cloth. Such, however, is the fact, as far as we are informed on the subject. The mills in this country—Slater's, for example, in Rhode Island—were spinning-mills only; and in England, though the power-loom had been introduced, it was used in separate establishments, by persons who bought, as the hand-weavers had always done, their twist of the spinners.

Great difficulty was at first experienced at Waltham, for the want of a proper preparation (sizing) of the warps. They procured from England a drawing of Horrock's dressing-machine, which, with some essential improvements, they adopted, producing the dresser now in use at Lowell and elsewhere. No method was, however, indicated in this drawing for winding the threads from the bobbins on to the beam; and to supply this deficiency, Mr. Moody invented the very ingenious machine called the warper. Having obtained these, there was no further difficulty in weaving by power-looms.

There was still greater deficiency in the preparation for spinning. They had obtained from England a description of what was then called a bobbin and fly, or jack-frame, for spinning roving; from this Mr. Moody and Mr. Lowell produced our present double-speeder. The motions of this machine were very complicated, and required nice mathematical calculations. Without them, Mr. Moody's ingenuity, great as it was, would have been at fault. These were supplied by Mr. Lowell. Many years afterward, and after the death of Mr. Lowell, when the patent for the speeder had been infringed, the late Dr. Bowditch was requested to examine them, that he might appear as a witness at the trial. He expressed to Mr. Jackson his admiration of the mathematical power they evinced; adding, that there were some corrections introduced that he had not supposed any man in America familiar with but himself.

There was also great waste and expense in winding the thread for filling or weft from the bobbin on to the quills, for the shuttle. To obviate this, Mr. Moody invented the machine known here as the filling-throstle.

It will be seen, by this rapid sketch, how much there was at this early period to be done, and how well it was accomplished. The machines introduced then, are those still in use in New England —brought, of course, to greater perfection in detail, and attaining a much higher rate of speed, but still substantially the same.

Associating with themselves some of the most intelligent merchants of Boston, they procured, in February, 1813, a charter, under the name of the Boston Manufacturing Company, with a capital of one hundred thousand dollars. Success crowned their efforts, and the business was gradually extended to the limit of the capacity of their water-power.

Mr. Lowell died in 1817, at the age of forty-two; satisfied that he had succeeded in his object, and that the extension of the cotton manufacture would form a permanent basis of the prosperity of New England. He had been mainly instrumental in procuring from Congress, in 1816, the establishment of the minimum duty on cotton cloth; an idea which originated with him, and one of great value, not only as affording a certain and easily collected revenue, but as preventing the exaction of a higher and higher duty, just as the advance in the cost abroad renders it more difficult for the consumer to procure his necessary supplies.

It is not surprising that Mr. Lowell should have felt great satisfaction at the result of his labors. In the establishment of the cotton manufacture, in its present form, he and his early colleagues have done a service not only to New England, but to the whole country, which perhaps will never be fully appreciated. Not by the successful establishment of this branch of industry—that would sooner or later have been accomplished; not by any of the present material results that have flowed from it, great as they unquestionably are,

but by the introduction of a system which has rendered our manufacturing population the wonder of the world. Elsewhere, vice and poverty have followed in the train of manufactures; an indissoluble bond of union seemed to exist between them. Philanthropists have prophesied the like result here, and demagogues have re-echoed the prediction. Those wise and patriotic men, the founders of Waltham, foresaw, and guarded against the evil.

By the erection of boarding-houses at the expense and under the control of the factory; putting at the head of them matrons of tried character, and allowing no boarders to be received except the female operatives of the mill; by stringent regulations for the government of these houses; by all these precautions they gained the confidence of the rural population, who were now no longer afraid to trust their daughters in a manufacturing town. A supply was thus obtained of respectable girls; and these, from pride of character, as well as principle, have taken especial care to exclude all others. It was soon found that an apprenticeship in a factory entailed no degradation of character, and was no impediment to a reputable connection in marriage. A factory-girl was no longer condemned to pursue that vocation for life; she would retire, in her turn, to assume the higher and more appropriate responsibilities of her sex; and it soon came to be considered that a few years in a mill was an honorable mode of securing a dower. The business could thus be conducted without any permanent manufacturing population. The operatives no longer form a separate caste, pursuing a sedentary employment, from parent to child, in the heated rooms of a factory; but are recruited, in a circulating current, from the healthy and virtuous population of the country.

By these means, and a careful selection of men of principle and purity of life, as agents and overseers, a great moral good has been obtained. Another result has followed, which, if foreseen, as no doubt it was, does great credit to the sagacity of these remarkable men. The class of operatives employed in our mills have proved to be as superior in intelligence and efficiency to the degraded population elsewhere employed in manufactures, as they are in morals. They are selected from a more educated class—from among persons in more easy circumstances, where the mental and physical powers have met with fuller development. This connection between morals and intellectual efficiency, has never been sufficiently studied. The result is certain, and may be destined, in its consequences, to decide the question of our rivalry with England, in the manufacture of cotton.

Although the first suggestions, and many of the early plans of the new business, had been furnished, as we have seen, by Mr. Lowell, Mr. Jackson devoted the most time and labor in conducting it. He spent much of his time, in the early years, at Waltham, separated from his family. It gradually engrossed his whole thoughts, and, abandoning his mercantile business in 1815, he gave himself up to that of the company.

At the erection of each successive mill, many prudent men, even among the proprietors, had feared that the business would be overdone—that no demand would be found for such increased quantities of the same fabric. Mr. Jackson, with the spirit and sagacity that so eminently distinguished him, took a different view of the matter. He not only maintained that cotton cloth was so much cheaper than any other material, that it must gradually establish itself in universal consumption at home, but entertained the bolder idea, that the time would come when the improvements in machinery, and the increase of skill and capital, would enable us successfully to compete with Great Britain in the supply of foreign markets. Whether he ever anticipated the rapidity and extent of the developments which he lived to witness, may perhaps be doubted; it is certain that his expectations were, at that time, thought visionary by many of the most sagacious of his friends.

Ever prompt to act, whenever his judgment was convinced, he began, as early as 1820, to look around for some locality where the business might be extended, after the limited capabilities of Charles river should be exhausted.

In 1821, Mr. Ezra Worther, who had formerly been a partner with Mr. Moody, and who had applied to Mr. Jackson for employment, suggested that the Pawtucket Canal, at Chelmsford, would afford a fine location for large manufacturing establishments, and that probably a privilege might be purchased of its proprietors. To Mr. Jackson's mind, the hint suggested a much more stupendous project—nothing less than to possess himself of the whole power of the Merrimack river at that place. Aware of the necessity of secrecy of action to secure this property at any reasonable price, he undertook it single-handed. It was necessary to purchase not only the stock in the canal, but all the farms on both sides of the river, which controlled the water-power, or which might be necessary for the future extension of the business. No long series of years had tested the extent and profit of such enterprises; the great capitalists of our

land had not yet become converts to the safety of such investments. Relying on his own talents and resolution, without even consulting his confidential advisers, he set about this task at his own individual risk; and it was not until he had accomplished all that was material for his purpose, that he offered a share in the project to a few of his former colleagues. Such was the beginning of Lowell—a city which he lived to see, as it were, completed. If all honor is to be paid to the enterprise and sagacity of those men who, in our day, with the advantage of great capital and longer experience, have bid a new city spring up from the forest on the borders of the same stream, accomplishing almost in a day what is in the course of nature the slow growth of centuries, what shall we say of the forecast and energy of that man who could contemplate and execute the same gigantic task at that early period, and alone?

The property thus purchased, and to which extensive additions were subsequently made, was offered to the proprietors of the Waltham Company, and to other persons whom it was thought desirable to interest in the scheme. These offers were eagerly accepted, and a new company was established, under the name of the Merrimack Manufacturing Company, the immediate charge of which was confided to the late Kirk Boott, Esq.

Having succeeded in establishing the cotton manufacture on a permanent basis, and possessed of a fortune, the result of his own exertions, quite adequate to his wants, Mr. Jackson now thought of retiring from the labor and responsibility of business. He resigned the agency of the factory at Waltham, still remaining a director both in that company and the new one at Lowell, and personally consulted on every occasion of doubt or difficulty. This life of comparative leisure was not of long duration. His spirit was too active to allow him to be happy in retirement. He was made for a working-man, and had long been accustomed to plan and conduct great enterprises; the excitement was necessary for his well-being. His spirits flagged, his health failed; till, satisfied at last that he had mistaken his vocation, he plunged once more into the cares and perplexities of business.

Mr. Moody had recently introduced some important improvements in machinery, and was satisfied that great saving might be made, and a higher rate of speed advantageously adopted. Mr. Jackson proposed to establish a company at Lowell, to be called the Appleton Company, and adopt the new machinery. The stock was soon subscribed for, and Mr. Jackson appointed the treasurer and agent. Two large mills were built, and conducted by him for several years, till success had fully justified his anticipations. Meanwhile, his presence at Lowell was of great advantage to the new city. All men there, as among the stockholders in Boston, looked up to him as the founder and guardian genius of the place, and were ready to receive from him advice or rebuke, and to refer to him all questions of doubt or controversy. As new companies were formed, and claims became conflicting, the advantages became more apparent of having a man of such sound judgment, impartial integrity, and nice discrimination, to appeal to, and who occupied an historical position to which no one else could pretend.

In 1830, the interests of Lowell induced Mr. Jackson to enter into a business new to himself and others. This was the building of the Boston and Lowell Railroad. For some years, the practicability of constructing roads in which the friction should be materially lessened by laying down iron-bars, or trams, had engaged the attention of practical engineers in England. At first, it was contemplated that the service of such roads should be performed by horses; and it was not until the brilliant experiments of Mr. Stephenson, on the Liverpool and Manchester Railroad, that the possibility of using locomotive engines was fully established. It will be well remembered that all the first estimates for railroads in this country were based upon a road-track adapted to horse-power, and horses were actually used on all the earlier roads. The necessity of a better communication between Boston and Lowell had been the subject of frequent conversation between Mr. Boott and Mr. Jackson. Estimates had been made, and a line surveyed for a Macadamized road. The travel between the two places was rapidly increasing; and the transportation of merchandise, slowly performed in summer by the Middlesex Canal, was done at great cost, and over bad roads, in winter, by wagons.

At this moment, the success of Mr. Stephenson's experiments decided Mr. Jackson. He saw, at once, the prodigious revolution that the introduction of steam would make in the business of internal communication. Men were, as yet, incredulous. The cost and the danger attending the use of the new machines, were exaggerated; and even if feasible in England, with a city of one hundred and fifty thousand souls at each of the termini, such a project, it was argued, was Quixotical here, with our more limited means and sparser population. Mr. Jackson took a different view of the matter; and when, after much delay and difficulty, the stock of the road was subscribed for, he undertook to superintend its construction, with the

especial object that it might be in every way adapted to the use of steam-power, and to that increase of travel and transportation which few, like him, had the sagacity to anticipate.

Mr. Jackson was not an engineer; but full of confidence in his own energy, and in the power he always possessed of eliciting and directing the talent of others, he entered on the task, so new to every one in this country, with the same boldness that he had evinced twenty years before, in the erection of the first weaving-mill.

The moment was an anxious one. He was not accustomed to waste time in any of his undertakings. The public looked with eagerness for the road, and he was anxious to begin and to finish it. But he was too wise a man to allow his own impatience, or that of others, to hurry him into action before his plans should be maturely digested. There were, indeed, many points to be attended to, and many preliminary steps to be taken. A charter was to be obtained, and, as yet, no charter for a railroad had been granted in New England. The terms of the charter, and its conditions, were to be carefully considered. The experiment was deemed to be so desirable, and, at the same time, so hazardous, that the legislature were prepared to grant almost any terms that should be asked for. Mr. Jackson, on the other hand, whose faith in the success of the new mode of locomotion never faltered, was not disposed to ask for any privileges that would not be deemed moderate after the fullest success had been obtained; at the same time, the recent example of the Charles River Bridge showed the necessity of guarding, by careful provisions, the chartered rights of the stockholders.

With respect to the road itself, nearly every thing was to be learned. Mr. Jackson established a correspondence with the most distinguished engineers of this country, and of Europe; and it was not until he had deliberately and satisfactorily solved all the doubts that arose in his own mind, or were suggested by others, that he would allow any step to be decided on. In this way, although more time was consumed than on other roads, a more satisfactory result was obtained. The road was graded for a double track; the grades reduced to a level of ten feet to the mile; all curves, but those of very large radius, avoided; and every part constructed with a degree of strength nowhere else, at that time, considered necessary. A distinguished foreigner, Mr. Charles Chevalier, has spoken of the work on this road as truly "Cyclopean." Every measure adopted shows conclusively how clearly Mr. Jackson foresaw the extension and capabilities of the railroad.

It required no small degree of moral firmness to conceive and carry out these plans. Few persons realized the difficulties of the undertaking, or the magnitude of the results. The shareholders were restless under increased assessments, and delayed income. It is not too much to say that no one but Mr. Jackson in Boston could, at that time, have commanded the confidence necessary to enable him to pursue his work so deliberately and so thoroughly.

The road was opened for travel in 1835, and experience soon justified the wisdom of his anticipations. Its completion and successful operation was a great relief to Mr. Jackson. For several years it had engrossed his time and attention, and at times deprived him of sleep. He felt it to be a public trust, the responsibility of which was of a nature quite different from that which had attended his previous enterprises.

One difficulty that he had encountered in the prosecution of this work led him into a new undertaking, the completion of which occupied him a year or two longer. He felt the great advantage of making the terminus of the road in Boston, and not, as was done in other instances, on the other side of the river. The obstacles appeared, at first sight, insurmountable. No land was to be procured in that densely populated part of the city except at very high prices; and it was not then the public policy to allow the passage of trains through the streets. A mere site for a passenger depot could, indeed, be obtained; and this seemed, to most persons, all that was essential. Such narrow policy did not suit Mr. Jackson's anticipations. It occurred to him that, by an extensive purchase of the flats, then unoccupied, the object might be obtained. The excavations making by the railroad at Winter Hill, and elsewhere, within a few miles of Boston, much exceeded the embankments, and would supply the gravel necessary to fill up these flats. Such a speculation not being within the powers of the corporation, a new company was created for the purpose. The land was made, to the extent of about ten acres; and what was not needed for depots, was sold at advantageous prices. It has since been found that even the large provision made by Mr. Jackson is inadequate to the daily increasing business of the railroad.

Mr. Jackson was now fifty-seven years of age. Released once more from his engagements, he might rationally look forward to a life of dignified retirement, in which he would be followed by the respect of the community, and the gratitude of the many families that owed their well-being to his exertions. But a cloud had come over his private fortunes. While laboring for others, he had

allowed himself to be involved in some speculations, to which he had not leisure to devote his personal attention. The unfortunate issue of these, deprived him of a large portion of his property.

Uniformly prosperous hitherto, the touchstone of adversity was wanting to elicit, perhaps even to create, some of the most admirable points in his character. He had long been affluent, and with his generous and hospitable feelings, had adopted a style of living fully commensurate with his position. The cheerful dignity with which he met his reverses; the promptness with which he accommodated his expenses to his altered circumstances; and the almost youthful alacrity with which he once more put on the harness, were themes of daily comment to his friends, and afforded to the world an example of the truest philosophy. He had always been highly respected; the respect was now more blended with love and veneration.

The death of his friend, Mr. Boott, in the spring of 1837, had proved a severe blow to the prosperity of Lowell. At the head of that company (the proprietors of the Locks and Canals), which controlled the land and water-power, and manufactured all the machinery used in the mills, the position he had occupied led him into daily intercourse with the managers of the several companies. The supervision he had exercised, and the influence of his example, had been felt in all the ramifications of the complicated business of the place. Even where no tangible evidence existed of benefits specifically conferred, men were not slow to find out, after his death, that a change had come over the whole. The Locks and Canals Company being under his immediate charge, was, of course the first to suffer. Their property rapidly declined, both intrinsically, and in public estimation. The shares, which for many years had been worth $1,000 each, were now sold for $700, and even less. No one appeared so able to apply the remedy as Mr. Jackson. Familiar, from the first, with the history of the company, of which he had always been a director, and the confidential adviser of Mr. Boott, he alone, perhaps, was fully capable of supplying that gentleman's place. He was solicited to accept the office, and tempted by the offer of a higher salary than had, perhaps, ever been paid in this country. He assumed the trust; and, during the seven years of his management, the proprietors had every reason to congratulate themselves upon the wisdom of their choice. The property was brought into the best condition; extensive and lucrative contracts were made and executed; the annual dividends were large; and when at last it was thought expedient to close the affairs of the corporation, the stockholders received of capital nearly $1,600 a share.

The brilliant issue of this business enhanced Mr. Jackson's previous reputation. He was constantly solicited to aid, by service and counsel, wherever doubt or intricacy existed. No great public enterprises were brought forward till they had received the sanction of his opinion.

During the last few years of his life, he was the treasurer and agent of the Great Falls Manufacturing Company at Somersworth; a corporation that had for many years been doing an unprofitable business at a great expense of capital. When this charge was offered to him, he visited the spot, and became convinced that it had great capabilities, but that every thing, from the beginning, had been done wrong: to reform it, would require an outlay nearly equal to the original investment. The dam should be taken down, and rebuilt; one mill, injudiciously located, be removed, and a larger one erected in a better spot; the machinery entirely discarded, and replaced by some of a more modern and perfect construction. Few men would have had the hardihood to propose such changes to proprietors discouraged by the prestige of repeated disappointments; still fewer, the influence to carry his measures into effect. That Mr. Jackson did this, and with results quite satisfactory to the proprietors and to himself, is almost a corollary from his previous history. His private fortune had, in the mean while, been restored to a point that relieved him from anxiety, and he was not ambitious of increasing it.

For some time after he assumed the duties of the agency at Somersworth, the labor and responsibility attending it were very severe; yet he seemed to his friends to have all the vigor and elasticity of middle life. It may be, however, that the exertion was beyond his physical strength; certainly, after a year or two, he began to exhibit symptoms of a gradual prostration; and, when attacked by dysentery in the summer of 1847, his constitution had no longer the power of resistance, and he sank under the disease on the 12th of September, at his sea-side residence at Beverly. . . .

In private, he was distinguished by a cheerfulness and benevolence that beamed upon his countenance, and seemed to invite every one to be happy with him. His position enabled him to indulge his love of doing good by providing employment for many meritorious persons; and this patronage, once extended, was never capriciously withdrawn.

The life of such a man is a public benefaction. Were it only to point out to the young and enter-

prising that the way to success is by the path of honor—not half-way, conventional honor, but honor enlightened by religion, and guarded by conscience—were it only for this, a truth but imperfectly appreciated even by moralists, the memory of such men should be hallowed by posterity.

LABOR AND IMMIGRATION

THE AMERICAN LABOR movement first appeared in strength between 1828 and 1836. In this period of economic expansion and collapse, skilled craftsmen were made acutely aware of the tensions of an economic society that was growing increasingly complicated and—as far as they were concerned—insecure. Journeymen, mechanics, printers particularly, saw their chances of becoming masters diminish. Laws that sent debtors to prison but gave mechanics no protection for payment of wages; children being pushed into factories while no provision was made for free schools; wages that never kept pace with prices while the long working-day grew more burdensome with a swifter tempo of work; the competition of convicts being reformed by hiring their labor out to contractors—all these, coupled with a belief in republican equality, forced skilled workingmen into union organization on the one hand and political action on the other.

Unions were formed in the separate crafts and the crafts were federated on a local basis. By 1833, New York, Philadelphia, and Boston each had its own Union of Trades, and a National Trades' Union was being formed. The movement to reduce the working day from twelve hours to ten gained strength and wage increases of 12½ to 25 cents a day were achieved.

In Philadelphia and New York, particularly, workers turned to politics as the existing parties showed themselves indifferent or hostile to laws for mechanics' liens, the abolition of imprisonment for debt, and a system of free public schools. Though labor parties established no permanent political machines, they had brief successes in returning their candidates to office and made more substantial gains by putting an end to imprisonment for debt and securing the first measures for general systems of free public education.

The economic collapse of 1837 closed the first phase of the labor movement; but, before that disaster, unions had been organized and federated, a labor press had flourished, the "labor agitator" made his appearance, employers' organizations had used the blacklist and the "yellow-dog" contract, the courts had shown themselves ready to save the community from mechanics' exactions, and New York's waterfront had seen striking longshoremen battle the police while a frigate stood off and threatened to fire.

Echoes of these tensions fill the pages of Seth Luther's *Address to the Working Men of New England.*

Seth Luther (? -1846) is one of the earliest instances of the labor spokesman. Born in Providence at the turn of the eighteenth century, he left for Ohio in 1817, traveled on the Western Waters and returned to New England a journeyman carpenter and a convinced democrat. His trade set him working at the cotton mills being built in the Twenties; his convictions made him denounce the abuses which accompanied the manufacturing system. Luther was active in the New England labor movement. He became secretary of the 1834 session of the Boston General Trades' Convention and toured the country, detailing the true state of the factories which pro-tariff Congressmen called the "palaces of the poor."

Seth Luther had protested against the free importation of labor as unfair inasmuch as the free importation of goods was checked by tariffs. Samuel F. B. Morse (1791–1872) objected not to the entry of immigrants but to

their being naturalized and given the right to vote. After an unsuccessful effort to support a family on a portrait painter's earnings, Morse had turned to the investigations which were to be climaxed by the construction of a practical electric telegraph. While Morse was working in New York, he witnessed the first great wave of migration from Catholic Europe. The naturalization of Irishmen, of political refugees from the Germanies, and of Austrian subjects fleeing in the wake of the revolutionary movement of 1830, seemed to threaten American stability. The newcomers were poor and of a different religion, and the Irish among them were schooled in political combination. Awareness of these dangers, together with irritation over the competition for jobs and a religious fanaticism roused by such works as the "revelations" of Maria Monk, caused an outburst of anti-Catholic rioting in Boston, where a convent was attacked.

Anti-foreign agitation also appeared in New York. To that agitation, Morse lent his support in a series of articles in the New York *Journal of Commerce* in 1835. Morse insisted that the riotous outbursts of the early thirties—bank mobs in Baltimore, Abolition mobs at Philadelphia and the mob which wrecked the convent at Charlestown—proved a European conspiracy to destroy the United States. The Holy Alliance, which had put an end to liberty in Europe, was reaching out to crush free democracy in America. Austria was responsible for the organization of the St. Leopold Society which was flooding the United States with Jesuits who meant to organize naturalized immigrants into a political party and use their votes to undermine American institutions.

The only safeguard against this danger was to forbid naturalization in the future, Morse declared. In 1836, he ran for Mayor of New York on that program and received 1,500 votes. Nativism, however, was not to be downed; and it rose again, this time to real power, in the fifties when the Irish famine and the failure of the Revolutions of 1848 once more sent immigrants streaming into American ports.

Seth Luther's *Address*, originally delivered in 1832, is reprinted from the 1836 edition corrected and published by the author in Philadelphia. S. F. B. Morse's newspaper articles were reprinted as a pamphlet and published in New York in August, 1835. The selections used here are taken from the pamphlet.

Address to the Working Men of New England

BY SETH LUTHER

. . . OUR EARS are constantly filled with the cry of National wealth, National glory, American system and American industry. . . .

This cry is kept up by men who are endeavoring *by all the means in their power* to cut down the wages of *our own people*, and who send agents to *Europe*, to *induce foreigners* to come here, to underwork *American* citizens, to support *American* industry, and the *American* System.

The whole concern (as now conducted) is as great a humbug as ever deceived any people. We see the system of manufacturing lauded to the skies; senators, representatives, owners, and agents of cotton mills using all means to keep out of sight the evils growing up under it. Cotton mills, where cruelties are practised, excessive labor required, education neglected, and vice, as a matter of course, on the increase, are denominated "the principalities of the destitute, the palaces of the poor." We do not pretend to say that this description applies, in all its parts, to all mills alike—but we do say, that most of the causes described by Dr. Kay, of Manchester, are in active operation in New England, and as sure as effect follows cause, the result must be the same. A member of the United States Senate seems to be *extremely* pleased with cotton mills; he says in the senate, "Who has not been delighted with the clockwork movements of a large cotton manufactory; he had visited them often, and *always* with increased delight." [1] He says the women work in large airy apartments,[2] well warmed; they are neatly dressed,

[1] We imagine he never worked in one 13 or 14 hours per day.

[2] So far from this, in some establishments the windows have been nailed down, and the females deprived of

with ruddy complexions, and happy countenances, they mend the broken threads and replace the exhausted balls or broaches, and at stated periods they go to and return from their meals with a light and cheerful step. (While on a visit to that pink of perfection, Waltham, I remarked that the females moved with a very light step, and well they might, for the bell rung for them to return to the mill from their homes in 19 minutes after it had rung for them to go to breakfast; some of these females boarded the largest part of half a mile from the mill.) And the grand climax is, that at the end of the week, after working like slaves for 13 or 14 hours every day, "they enter the temples of God on the Sabbath, and thank him for all his benefits,"—and the *American System* above all requires a peculiar outpouring of gratitude. We remark, that whatever girls or others may do west of the Allegany mountains, we do not believe there can be a *single person* found east of those mountains, who ever *thanked God* for *permission* to work in a *cotton mill.*

Without being obliged to attribute wrong or mercenary motives to the Hon. Senator, (*whose talents certainly must command respect from all,* let their views in other respects be what they may,) we remark, that we think he was most grossly deceived by the circumstances of his visit. We will give our *reasons*, in a few words spoken (in part) on a former occasion, on this subject. It is well known to all that when *Honorables* travel, timely notice is given of their arrival and departure in places of note. Here we have a case; the Honorable Senator from Kentucky is about to visit a *cotton mill;* due notice is given; the men, girls, and boys, are ordered to array themselves in their best apparel. Flowers of every hue are brought to decorate the mill, and enwreath the brows of the fair sex. If Nature will not furnish the materials from the lap of summer, art supplies the deficiency. Evergreens mingle with the roses, the jasmine, and the hyacinth, to honor the *illustrious* visiter, the champion, the very Goliah of the American System. He enters! Smiles are on every bow. No *cowhide*, or rod, or "*well seasoned strap*" is suffered to be seen by the Honorable Senator, or permitted to disturb the enviable happiness of the inmates of this almost *celestial* habitation. The Hon. Gentleman views with keen eye the "clockwork." He sees the rosy faces of the Houries inhabiting this palace of beauty; he is in ecstasy—he is almost *dumfounded*—he enjoys the enchanting scene with the most intense delight. For an hour or more (not fourteen hours) he seems to be in the regions described in Oriental song, his feelings are overpowered, and he retires, almost unconscious of the cheers which follow his steps; or if he hears the ringing shout, 'tis but to convince him that he is in a land of reality, and not of fiction. His mind being filled with sensations, which, from their novelty, are without a name, he exclaims, 'tis a paradise; and we reply, if a cotton mill is a "paradise," it is "*Paradise Lost.*" . . .

It has been said that the speaker is opposed to *the* American System. It turns upon one single point,—if these abuses are *the* American System, he is opposed. But let him see *an* American System, where education and intelligence are generally diffused, and the enjoyment of *life* and *liberty* secured to all; he then is ready to support *such* a system. But so long as our government secures exclusive privileges to a *very small part of the community*, and leaves the majority the "*lawful prey*" to avarice, so long does he contend against *any* "System" so exceedingly unjust and unequal in its operations. He knows that we must have manufactures. It is impossible to do without them; but he has yet to learn that it is necessary, or just, that manufactures must be sustained by injustice, cruelty, ignorance, vice, and misery; which is now the fact to a startling degree. If what we have stated be true, and we challenge denial, what must be done? Must we fold our arms and say, It always was so, and always will be. If we did so, would it not almost rouse from their graves the heroes of our revolution? Would not the cold marble, representing our beloved Washington, start into *life*, and reproach us for our *cowardice?* Let the word be—Onward! onward! We know the difficulties are great, and the obstacles many; but, as yet, we "know our rights, and knowing, dare maintain." We wish to injure no man, and we are determined not to be injured as we have been; we wish nothing but those equal rights which were designed for us all. And although wealth, and prejudice, and slander, and abuse, are all brought to bear on

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even fresh air, in order to support the "*American System.*"

An actual rebellion took place not long since, in consequence of this high handed and tyrannical measure, among the 1000 females in a vast overgrown establishment. We learn that frequently the females have become entirely unmanageable in consequence of various cruelties practised on them at that place. We learn that not long since the agent, newly appointed, made a rule that "all who were not within the gates at the last stroke of the bell, were to pay a fine of twelve and a half cents," whereupon the girls rose *en masse.* The confusion was great, and the order was revoked. How delightful to live in "a principality of the destitute, a palace of the poor!"

us, we have one consolation—"*We are the Majority.*"

One difficulty is a want of information among our own class, and the HIGHER ORDERS reproach us for our ignorance; but, thank God, we have enough of intelligence among us yet, to show the world that all is not lost.

Another difficulty among us is—the Press has been almost wholly, and is now in a great degree, closed upon us. We venture to assert, that the press is *bribed* by *gold* in many instances; and we believe, that if *law* had done what *gold* has accomplished, our country would, before this time, have been deluged with blood. But working men's papers are multiplying, and we shall soon, by the diffusion of intelligence, be enabled to form a *front*, which will show all *monopolists*, and all TYRANTS, that we are not only determined to have the name of freemen, but that we will LIVE FREEMEN and DIE FREEMEN.

Fellow citizens of New England, farmers, mechanics, and labourers, we have borne these evils by far too long; we have been deceived by all parties; we must take our business into our own hands. Let us awake. Our cause is the cause of truth—of justice and humanity. *It must prevail.* Let us be determined no longer to be deceived by the cry of those who produce *nothing* and who enjoy *all*, and who *insultingly* term us—the *farmers, the mechanics, and labourers*—the LOWER ORDERS, and *exultingly* claim our homage for themselves, as the *Higher* ORDERS—*while the* DECLARATION OF INDEPENDENCE asserts that "ALL MEN ARE CREATED EQUAL."

APPENDICES

G.

Conditions on which Help is hired by the Cocheco Manufacturing Company, Dover, N. H.

We, the subscribers, do hereby agree to enter the service of the *Cocheco Manufacturing Company*, and conform, in all respects, to the REGULATIONS which are now, or may hereafter be adopted, for the good government of the Institution.

We further agree, *to work for such wages per week, and prices by the job, as the Company may see fit to pay*, AND BE SUBJECT TO THE FINES as well as entitled to the premiums paid by the Company.

We further agree to allow two cents each week to be deducted from our wages, for the benefit of the SICK FUND.

We also agree not to leave the service of the Company, without giving two weeks notice of our intention, without permission of an agent; and if we do, we agree to forfeit to the use of the Company two weeks' pay.

We also agree not to be engaged in any combination, whereby the work may be impeded, or the Company's interest in any work injured; if we do, we agree to forfeit to the use of the Company the amount of wages that may be due to us at the time.

We also agree that in case we are discharged from the service of the Company for any fault, we will not consider ourselves entitled to be settled within less than two weeks from the time of such discharge.

Payments for labor performed are to be made monthly.

I.

The speaker cannot but feel as every man ought to feel, indignant at such language as this. Has it come to this, that we must be told we ought to be content, because we are not yet actually in chains of iron? We happen to know something about southern slavery, having resided in a slave country at various periods, and we know that children born in slavery do not work *one half* the hours, nor perform one *quarter* of the labor, that white children do in cotton mills, in free New England. It is nearly so with adult slaves. If the children in mills in New England are almost entirely deprived of education, will the gentleman show us the great advantage *they* posses over *slave* children? Further, we do know that the slaves in the South enjoy privileges which are not enjoyed in some of our cotton mills. At Dover, N. H., we understand, no operative is allowed to keep a pig or cow, because it would take a few minutes time to feed the pig and milk the cow. We learn also it is now, or has been the case, that that "Republican Institution" even monopolized the *milk business*, kept cows themselves, and compelled their "help" to buy milk of them. This we suppose was to give a *market* to the *farmer*, of which we hear so much.

J.

A writer, calling himself "A Factory Hand," in the Yeoman's Gazette, Concord, September 1, 1832, tells a fine story about the advantages at Waltham, "the flowers of taste and sentiment" and feeling, and the "hardy plants of the understanding," and "all that sort of thing;" but, after all, he says, "*with particular reference to our situation in the cotton mills*, (mark that,) it would not do to reduce the hours of labor; for more harm would be done by the *vicious*, than good by the virtuous, if THUS *let loose* on the community." Surely *this* indicates an *extremely great* degree of

cultivation of "the flowers of *taste* and *sentiment*" and "*refinement*" and "*understanding* with particular reference to our situation in the cotton mills" at Waltham. It won't do to "LET US LOOSE on the community." This is *highly* complimentary to the *lower orders* employed at Waltham. This is "taste" and "sentiment" and "refinement" and "understanding," with a *vengeance*. Why, this is the *very reason* that people are shut up in the STATE PRISON. It will not answer to "let them loose on the community." If the work people in Waltham can bear this, we are mistaken in them. If they will be *insulted* in this way, and not resent it, they are certainly to be pitied.

Another, or the same writer, signing "An Operative," with reference to the author of this address, says, "Our reformer may congratulate himself in not receiving a flagellation, or a ducking, while at Waltham." Now, we suppose this is a specimen of the "*flowers of feeling, taste, and sentiment*," *and* "*moral principle and religious sentiment*" "*cultivated with fatherly care at Waltham.*"

Perhaps the author owes his safety to the fact, that the Company did not "let loose" the vicious characters in Waltham; for the large Hall where he lectured was filled to overflowing with an attentive and civil audience, for which he returns to them his thanks. We have never said or written a word against the morality of the Waltham people; but these *astonishing writers*, these defenders of "the higher classes," make them a savage and vicious people: so much so, that, according to them, it will not do to "let them loose on the community." We learn for the first time, from these writers, that Waltham owners are the jail keepers of the vicious and outrageous part of the community, and merely run their mills to keep them in prison for the public safety. *How very benevolent!*

If cotton mill owners cannot EMPLOY better defenders than these sapient writers are, they had better have none. But this is as much as they can expect for 70 cents per day for 13 hours work in the mill, the scribbling thrown in gratis.

K.

We insist upon it, that the power of the Constitution "to provide for the common defence," shall be exerted to provide safeguards against the dreadful evils which manufacturers are bringing upon us. For we insist that if Congress have power to protect the owners against foreign competition in the shape of goods, they have the same right to protect the operative from foreign competition in the shape of importation of foreign mechanics and laborers, to cut down the wages of our own citizens. We call upon manufacturers to do justice to the operative, and warn them to remember that working men, the farmer, mechanic and labourer . . . are to be gulled no longer by the specious and deceptive cry of American Industry while they are ground down into the dust by importation of foreign machinery, foreign workmen and foreign wool. . . .

Imminent Dangers to the Free Institutions of the United States through Foreign Immigration, and the Present State of the Naturalization Laws

BY SAMUEL F. B. MORSE

No. I

THE GREAT QUESTION regarding Foreigners, and a change in our Naturalization laws, is a *National question*, and at this time a very serious one. It is therefore with deep regret that I perceive an attempt made by both parties, (however to be expected,) to turn the just National excitement on this subject each to the account of their own party. The question, *Whether Foreigners shall be subjected to a new law of naturalization?* which grave circumstances have recently made it necessary to examine, is one entirely separate at present from *party* politics, as parties are now constituted, and is capable of being decided solely on its own merits. The organs of the two parties, however, are noticing the subject, and both engaged in their usual style of recrimination. Neither of them can see the other, nor any measure however separated from party principle, if proposed or discussed by its opponent, except through the distorted medium of prejudice. So degraded in this particular has the party press become, in the view of the intelligent portion of the community, that no one seems to expect impartiality or independence, when any question is debated that affects, or even but seems to affect, the slightest change in the aspect of the party, or in the standing of the individual, whose cause it advocates. The exclusive party character of a great portion of the daily

press, its distortion of facts, its gross vituperative tone and spirit, its defence of dangerous practices and abuses, if any of these but temporarily favour mere party designs, is a serious cause of alarm to the American people. To increase the evil, each party adopts the unlawful weapons of warfare of its antagonist, thinking it an ample justification of its conduct, if it can but show that they have been used by its opponent. I cannot but advert to this crying evil at a moment when a great and pressing danger to the country demands the attention of Americans of all parties, and their cool and dispassionate examination of the evidence in the case.

The danger to which I would call attention is not imaginary. It is a danger arising from *a new position of the social elements in the onward march of the world to liberty*. The great struggle for some years has till now been principally confined to Europe. But we cannot exclude, if we would, the influence of foreign movements upon our own political institutions, in the great contest between liberty and despotism. It is an ignorance unaccountable in the conductors of the press at this moment, not to know, and a neglect of duty unpardonable, not to guard the people against the dangers resulting from this source. To deny the danger, is to shut one's eyes. It stares us in the face. And to seek to allay the salutary alarm arising from a demonstration of its actual presence among us, by attributing this alarm to any but the right cause, is worse than folly, it is madness, it is flinging away our liberties, not only without a struggle, but without the slightest concern, at the first appearance of the enemy.

No. XI

The propriety, nay, the imperious necessity of a change in the Naturalization Laws, is the point to which it is indispensable to the safety of the country, that the attention of Americans, as a whole people, should at this moment be concentrated. It is a national question, not only separate from, but *superiok* to all others. All other questions which divide the nation, are peculiarly of a domestic character; they relate to matters between American and American. Whether the *bank system* is, or is not, adverse to our democratic institutions; whether *internal improvement* is constitutionally intrusted to the management of the general government, or reserved to the states respectively; whether *monopolies* of any kind are just or unjust; whether the *right of instructing* representatives is to be allowed or resisted; whether *the high offices* of the nation are safest administered by these or by those citizens; all these, and many kindred questions, are entirely of a domestic character, to be settled between ourselves, in the just democratic mode, by majority, by the prevailing voice of the American people declared through the *ballot box*. But the question of *naturalization*, the question whether *foreigners, not yet arrived*, shall or shall not be admitted to the American right of balloting, is a matter in which the American people are in a certain sense, on one side as the original and exclusive possessors of the privilege, and foreigners on the other, as petitioners for a participation in that privilege; for the privilege of expressing their opinion upon, and assisting to decide all the other questions I have enumerated. It is, therefore, a question separate and *superior* to all these. It is a fundamental question; it affects the very foundation of our institutions, it bears directly and vitally on the *principle of the ballot* itself, that principle which decides the gravest questions of policy among Americans, nay, which can decide the very existence of the government, or can change its form at any moment. And surely this vital principle is amply protected from injury? To secure this point, every means which a people jealous of their liberties could devise was doubtless gathered about it for its preservation? It is not guarded. Be astonished, Americans, at the oversight! The mere statement of the provisions of the Naturalization Law, is sufficient, one would think, to startle any American who reflects at all. FIVE YEARS' RESIDENCE GIVES THE FOREIGNER, WHATEVER BE HIS CONDITION OR CHARACTER, THIS MOST SACRED PRIVILEGE OF ASSISTING TO CONTROL, AND ACTUALLY OF CONTROLLING (*there is not a guard to prevent,*) ALL THE DOMESTIC INTERESTS OF AMERICA. A simple *five years' residence*, allows any foreigner, (no matter what his character, whether friend or enemy of freedom, whether an exile from proscription, or a pensioned Jesuit, commissioned to serve the interests of Imperial Despots,) to handle this "*lock of our strength.*" How came it to pass? How is it possible that so vital a point as the ballot box was not constitutionally surrounded with double, ay, with treble guards? How is it that this *heart* of Democracy was left so exposed; yes; this very *heart* of the body politic, in which, in periodical pulsations, the opinions of the people meet, to go forth again as law to the extremities of the nation; this *heart* left so absolutely without protection, that the murderous eye of Imperial Despots across the deep, can, not only watch it in all its movements, but they are invited from its very nakedness, to reach out their hands to stab it. The figure is not too strong; their blow is aimed, now, whilst I write. at this very heart of our institutions. How is it that none of our

sagacious statesmen foresaw this danger to the republic through the unprotected ballot box? It was foreseen. It did not escape the prophetic eye of Jefferson. He foresaw, and from the beginning foretold the evil, and uttered his warning voice. *Mr. Jefferson denounced the encouragement of emigration.* And, oh! consistency, where is thy blush? he who is now urging Jefferson's own recommendation on this vital point, is condemned by some who call themselves Jeffersonian democrats; by some journalists who in one column profess Jeffersonian principles, while in the next they denounce both the principles and the policy of Jefferson, and (with what semblance of consistency let them show if they can,) defend a great political evil, against which Jefferson left his written protest. It may be convenient, for purposes best known to themselves, for such journalists to desert their democratic principles, while loudly professing still to hold them; but the people, who are neither blind nor deaf, will soon perceive whose course is most consistent with that great apostle of democratic liberty. Do they ask, would you defend Mr. Jefferson's opinions when they are wrong?—I answer, prove them to be wrong, and I will desert them. Truth and justice are superior to all men. I advocate Jefferson's opinions, not because they are Jefferson's, but because his opinions are in accordance with truth and sound policy.—Let me show that Mr. Jefferson's opinions in relation to emigration are proved by experience to be sound.

What were the circumstances of the country when laws so favourable to the foreigner were passed to induce him to emigrate and settle in this country? The answer is obvious. Our early history explains it. In our national infancy we needed the strength of *numbers.* Powerful nations, to whom we were accessible by fleets, and consequently also by armies, threatened us. Our land had been the theatre of contests between French, and English, and Spanish armies, for more than a century. Our numbers were so few and so scattered, that as a people we could not unite to repel aggression. The war of Independence, too, had wasted us. We wanted *numerical strength;* we felt our weakness in numbers. *Safety,* then, national *safety,* was the motive which urged us to use every effort to increase our population, and to induce a foreign emigration. Then foreigners seemed all-important, and the policy of alluring them hither, too palpable to be opposed successfully even by the remonstrances of Jefferson. We could be benefited by the emigrants, and we in return could bestow on them a gift beyond price, by simply making them citizens. Manifest as this advantage seemed in the increase of our numerical strength, Mr. Jefferson looked beyond the advantage of the moment, and saw the distant evil. His reasoning, already quoted in a former number, will bear to be repeated. "I beg leave," says Mr. Jefferson, "to propose a doubt. The present desire of America is to produce rapid population by as great importations of foreigners as possible. But is this founded in good policy? *The advantage proposed, is the multiplication of numbers.* But are there no inconveniences to be thrown into the scale against the advantage expected from a multiplication of numbers by the importation of foreigners? It is for the happiness of those united in society to harmonize as much as possible in matters which they must of necessity transact together."

"Civil government being the sole object of forming societies, its administration must be conducted by common consent. Every species of government has its specific principles. Ours, perhaps, are more peculiar than those of any other in the universe. It is a composition of the freest principles of the English constitution, with others derived from natural right and natural reason. To these nothing can be more opposed than the maxims of absolute monarchies. Yet, from such, we are to expect the greatest number of emigrants. *They will bring with them the principles of the governments they leave, imbibed in their early youth; or, if able to throw them off, it will be in exchange for an unbounded licentiousness,* passing, as is usual, from one extreme to another. It would be a miracle were they to stop precisely at the point of temperate liberty. These principles, with their language, they will transmit to their children. *In proportion to their numbers, they will share with us the legislation. They will infuse into it their spirit, warp and bias its directions, and render it a heterogeneous, incoherent, distracted mass.*"

"I may appeal to experience, for a verification of these conjectures. But, if they be not *certain in event,* are they not *possible, are they not probable?* Is it not safer to wait with patience—for the attainment of any degree of population desired or expected? May not our government be more homogeneous, more peaceable, more durable?" He asks, what would be the condition of France if twenty millions of Americans were suddenly imported into that kingdom? and adds—"If it would be *more turbulent,* less happy, less strong, we may believe that the addition of *half a million of foreigners* would produce a *similar effect here.* If they come of themselves, they are entitled to all the rights of citizenship; *but I doubt the expediency of inviting them by extraordinary encour-*

agements." Now, if under the most favourable circumstances for the country, when it could most be benefited, when numbers were most urgently needed, Mr. Jefferson could discover the evil afar off, and protest against encouraging foreign immigration, how much more is the measure now to be deprecated, when circumstances have so entirely changed, that instead of *adding strength* to the country, immigration *adds weakness*, weakness physical and moral! And what overwhelming force does Mr. Jefferson's reasoning acquire, by the vast change of circumstances which has taken place both in Europe and in this country, in our earlier and in our later condition.—*Then* we were few, feeble, and scattered. *Now* we are numerous, strong, and concentrated. *Then* our accessions by immigration were real accessions of strength from the ranks of the learned and the good, from the enlightened mechanic and artisan, and intelligent husbandman. *Now* imigration is the accession of weakness, from the ignorant and the vicious, or the priest-ridden slaves of Ireland and Germany, or the outcast tenants of the poorhouses and prisons of Europe. And again. *Then* our beautiful system of government had not been unfolded to the world to the terror of tyrants; the rising brightness of American Democracy was not yet so far above the horizon as to wake their slumbering anxieties, or more than to gleam faintly, in hope, upon their enslaved subjects. *Then* emigration was natural, it was an attraction of affinities, it was an attraction of liberty to liberty. Emigrants were the proscribed for conscience' sake, and for opinion's sake, the real lovers of liberty, Europe's loss, and our gain.

Now American Democracy is denounced by name by foreign despots, waked with its increasing brilliancy. Its splendour dazzles them. It alarms them, for it shows their slaves their chains. And it must be extinguished. *Now* emigration is changed; naturalization has become the door of entrance not alone to the ever welcome lovers of liberty, but also for the priest-ridden troops of the Holy Alliance, with their Jesuit officers well skilled in all the arts of darkness. Now emigrants are selected for a service to their tyrants, and by their tyrants; not for their affinity to liberty, but for their mental servitude, and their docility in obeying the orders of their priests. They are transported in thousands, nay, in *hundreds of thousands*, to our shores, to our loss and Europe's gain.

It may be, Americans, that you still doubt the *existence* of a conspiracy, and the reality of danger from Foreign Combination; or, if the attempt is made, you yet doubt the *power* of any such secret intrigue in your society. Do you wish to test its existence and its power? It is easy to apply the test. *Test it by attempting a change in the Naturalization Law.* Take the ground that such a change must be made, that *no foreigner who comes into the country after the law is passed shall ever be allowed the right of suffrage.* Stand firmly to this single point, and you will soon discover where the enemy is, and the tactics he employs. This is the spear of Ithuriel. Apply its point. You will find your enemy, though now squat like a toad fast by the ear of our confidence, suddenly roused to show his infernal origin.

Look a moment at the proposition. You will perceive that in its very nature there is nothing to excite the opposition of a single citizen, native or naturalized, in the whole country, *provided*, be it distinctly borne in mind, *that he is not implicated in the conspiracy.* This prohibition, in the proposed change of the law, it is evident, touches not in any way the *native American*, neither does it touch in the slightest degree the already granted privileges of the *naturalized citizen*, nor the *foreigner now in the country*, who is waiting to be naturalized, nor even *the foreigner on his way hither;* no, *not an indivdual* in the whole country is unfavourably affected by the provisions of such a law, not an individual *except alone the foreign Jesuit, the Austrian stipendiary with his intriguing myrmidons.* And how is he affected by it? He is deprived of his *passive obedience* forces; he can no longer use his power over his slaves, *to interfere in our political concerns;* he can no longer use them in his Austrian master's service; and he therefore, be assured, will resist with all the desperation of a detected brigand. He will raise an outcry. He will fill the public ear with cries of *intolerance.* He will call the measure religious bigotry, and illiberality, and religious persecution, and other popular catchwords, to deceive the unreflecting ear. But, be not deceived; when you hear him, set your mark upon him. That is the man. Try then this test. Again, I say, let the proposition be that the law of the land be so changed, that NO FOREIGNER WHO COMES INTO THE COUNTRY AFTER THE LAW IS PASSED SHALL EVER BE ENTITLED TO THE RIGHT OF SUFFRAGE. This is just ground; it is practicable ground; it is defensible ground, and it is safe and prudent ground; and I cannot better close than in the words of Mr. Jefferson: "The time to guard against corruption and tyranny is *before* they shall have gotten hold on us; IT IS BETTER TO KEEP THE WOLF OUT OF THE FOLD, THAN TO TRUST TO DRAWING HIS TEETH AND TALONS AFTER HE HAS ENTERED."

INTERNAL IMPROVEMENTS

EVEN SO LATE as 1824, the United States was an immense country sparsely settled and badly in need of better facilities for communication between the seaboard and the interior. Some aid to roads had been given, but the propriety of the federal government's action still seemed questionable. In January, 1824, when the House of Representatives was debating a bill to authorize the President to order surveys and estimates for roads and canals, Henry Clay rose to settle the Constitutional argument on the issue. Presidents Madison and Monroe had both vetoed bills for internal improvements on Constitutional grounds, Clay admitted, but Congress had the same right to judgment as did the Executive.

Congress needs no specific grant to authorize internal improvements, Clay argues, for it has a "resulting power" derived from existing rights. Roads and canals are analogous to beacons and coast surveys. They are also in the nature of fortifications, since they concentrate the population, which is the effect of fortifications. Everything is done to aid foreign commerce, Clay complains, but no help is given domestic trade and "the great interior of the country." If the new states may be taxed to support a navy, the East can help open the West by improving communications.

Clay's interpretation of the Constitution won increasing support in Congress and, year after year, bills were passed for improving roads in the newer states. The policy of assisting internal improvements by federal grants did not disturb John Quincy Adams and even Andrew Jackson did not protest against appropriations for the National Road which crossed the mountains from Cumberland into Ohio. But when Congress voted to improve a portion of road entirely within the State of Kentucky, Jackson returned the measure with a veto: his interpretation of the Constitution did not permit him to sign a bill in which Congress exercised such power. There must be a genuine determination of congressional powers, he declared, for usage is an uncertain guide and expedience an unworthy one. This was the famous Maysville Road Veto of May 20, 1830, and it put a stop to direct federal support of internal improvements for at least a generation.

In 1832, Friedrich List (1789–1846) wrote to a European friend about the progress of railroad construction in America. He had come to America in 1825 and had settled at Harrisburg, Penn., where he proceeded to engage in coal mining and railroad promotions. He later returned to Germany to write his famous *The National System of Political Economy* (1841).

The letter reprinted here is from Volume II of List's *Werke* (Berlin, 1931).

Speech on Internal Improvement, 1824

BY HENRY CLAY

IT OUGHT TO BE borne in mind, that this power over roads was not contained in the articles of confederation, which limited Congress to the establishment of post-offices; and that the general character of the present constitution, as contrasted with those articles, is that of an enlargement of power. But, if the construction of my opponents be correct, we are left precisely where the articles of confederation left us, notwithstanding the additional words contained in the present constitution. What, too, will the gentleman do with the first member of the clause to establish post *offices?* Must Congress adopt, designate, some pre-existing office, established by state authority? But there is none such. May it not then fix, build, create, *establish* offices of its own?

The gentleman from Virginia sought to alarm us by the awful emphasis with which he set before

us the total extent of post roads in the Union. Eighty thousand miles of post roads! exclaimed the gentleman; and will you assert for the general government jurisdiction, and erect turnpikes, on such an immense distance? Not to-day, nor to-morrow; but this government is to last, I trust, for ever; we may at least hope it will endure until the wave of population, cultivation, and intelligence, shall have washed the Rocky Mountains and mingled with the Pacific. And may we not also hope that the day will arrive when the improvements and the comforts of social life shall spread over the wide surface of this vast continent? All this is not to be suddenly done. Society must not be burthened or oppressed. Things must be gradual and progressive. The same species of formidable array which the gentleman makes, might be exhibited in reference to the construction of a navy, or any other of the great purposes of government. We might be told of the fleets and vessels of great maritime powers, which whiten the ocean; and triumphantly asked if we should vainly attempt to cope with or rival that tremendous power? And we should shrink from the effort, if we were to listen to his counsels, in hopeless despair. Yes, Sir, it is a subject of peculiar delight to me to look forward to the proud and happy period, distant as it may be, when circulation and association between the Atlantic and the Pacific and the Mexican Gulf, shall be as free and perfect as they are at this moment in England, or in any other the most highly improved country on the globe. In the mean time, without bearing heavily upon any of our important interests, let us apply ourselves to the accomplishment of what is most practicable and immediately necessary.

But what most staggers my honourable friend, is the jurisdiction over the sites of roads and other internal improvements which he supposes Congress might assume; and he considers the exercise of such a jurisdiction as furnishing the just occasion for serious alarm. Let us analyze the subject. Prior to the erection of a road under the authority of the General Government, there existed, in the State through which it passes, no actual exercise of jurisdiction over the ground which it traverses *as a road*. There was only the possibility of the exercise of such a jurisdiction, when the state should, if ever, erect such a road. But the road is made by the authority of Congress, and out of the *fact* of its erection arises a necessity for its preservation and protection. The road is some thirty or fifty or sixty feet in width, and with that narrow limit passes through a part of the territory of the State. The capital expended in the making of the road incorporates itself with and becomes a part of the permanent and immoveable property of the State. The jurisdiction which is claimed for the General Government, is that only which relates to the necessary defence, protection, and preservation, of the road. It is of a character altogether conservative. Whatever does not relate to the existence and protection of the road remains with the State. Murders, trespasses, contracts, all the occurrences and transactions of society upon the road, not affecting its actual existence, will fall within the jurisdiction of the civil or criminal tribunals of the State, as if the road had never been brought into existence. How much remains to the State! How little is claimed for the General Government! Is it possible that a jurisdiction so limited, so harmless, so unambitious, can be regarded as seriously alarming to the sovereignty of the States! Congress now asserts and exercises, without contestation, a power to protect the mail in its transit, by the sanction of all suitable penalties. The man who violates it is punished with death, or otherwise, according to the circumstances of the case. This power is exerted as incident to that of establishing post offices and post roads. Is the protection of the thing in transitu a power more clearly deducible from the grant, than that of facilitating, by means of a practicable road, its actual transportation? Mails certainly imply roads, roads imply their own preservation, their preservation implies the power to preserve them, and the Constitution tells us, in express terms, that we shall establish the one and the other.

In respect to cutting canals, I admit the question is not quite so clear as in regard to roads. With respect to these, as I have endeavoured to show, the power is expressly granted. In regard to canals, it appears to me to be fairly comprehended in, or deducible from, certain granted powers. Congress has power to regulate commerce with foreign nations and among the several states. Precisely the same measure of power which is granted in the one case is conferred in the other. And the uniform practical exposition of the constitution, as to the regulation of foreign commerce, is equally applicable to that among the several states. Suppose, instead of directing the legislation of this government constantly, as heretofore, to the object of foreign commerce, to the utter neglect of the interior commerce among the several states, the fact had been reversed, and now, for the first time, we were about to legislate for our foreign trade: Should we not, in that case, hear all the constitutional objections made to the erection of buoys, beacons, lighthouses, the surveys of coasts, and the other numerous facilities

accorded to the foreign trade, which we now hear to the making of roads and canals? Two years ago, a sea-wall, or, in other words, a marine canal, was authorized by an act of Congress, in New-Hampshire; and I doubt not that many of those voted for it who have now constitutional scruples on this bill. Yes, any thing, every thing, may be done for foreign commerce; any thing, every thing, on the margin of the ocean: but nothing for domestic trade; nothing for the great interior of the country! Yet, the equity and the beneficence of the constitution equally comprehends both. The gentleman does, indeed, maintain that there is a difference as to the character of the facilities in the two cases. But I put it to his own candour, whether the only difference is not that which springs from the nature of the two elements on which the two species of commerce are conducted—the difference between land and water. The principle is the same, whether you promote commerce by opening for it an artificial channel where now there is none, or by increasing the ease or safety with which it may be conducted through a natural channel which the bounty of Providence has bestowed. In the one case, your object is to facilitate arrival and departure from the ocean to the land. In the other, it is to accomplish the same object from the land to the ocean. Physical obstacles may be greater in the one case than in the other, but the moral or constitutional power equally includes both. The gentleman from Virginia had, to be sure, contended that the power to make these commercial facilities was to be found in another clause of the constitution—that which enables Congress to obtain cessions of territory for specific objects, and grants to it an exclusive jurisdiction. These cessions may be obtained for the "erection of forts, magazines, arsenals, dockyards, or other needful buildings." It is apparent that it relates altogether to military or naval affairs, and not to the regulation of commerce. How was the marine canal covered by this clause? Is it to be considered as a "needful building?" The object of this power is perfectly obvious. The Convention saw that, in military or naval posts, such as are indicated, it was indispensably necessary, for their proper government, to vest in Congress the power of exclusive legislation. If we claimed over objects of internal improvement an exclusive jurisdiction, the gentleman might urge, with much force, the clause in question. But the claim of concurrent jurisdiction only is asserted. The gentleman professes himself unable to comprehend how concurrent jurisdiction can be exercised by two different governments at the same time over the same persons and things. But, is not this the fact with respect to the state and federal governments? Does not every person, and every thing, within our limits, sustain a two-fold relation to the state and to the federal authority? The power of taxation as exerted by both governments, that over the militia, besides many others, is concurrent. No doubt embarrassing cases may be conceived and stated by gentlemen of acute and ingenious minds. One was put to me yesterday. Two canals are desired, one by the federal, and the other by a state government; and there is not a supply of water but for the feeder of one canal—which is to take it? The constitution, which ordains the supremacy of the laws of the United States, answers the question. The good of the whole is paramount to the good of a part. The same difficulty might possibly arise in the exercise of the incontestable power of taxation. We know that the imposition of taxes has its limits. There is a maximum which cannot be transcended. Suppose the citizen to be taxed by the general government to the utmost extent of his ability, or a thing as much as it can possibly bear, and the state imposes a tax at the same time, which authority is to take it? Extreme cases of this sort may serve to amuse and to puzzle; but they will hardly ever arise in practice. And we may safely confide in the moderation, good sense, and mutual good dispositions, of the two governments, to guard against the imagined conflicts.

It is said by the President, that the power to regulate commerce merely authorizes the laying of imposts and duties. But Congress has no power to lay imposts and duties on the trade among the several states. The grant must mean, therefore, something else. What is it? The power to regulate commerce among the several states, if it has any meaning, implies authority to foster it, to promote it, to bestow on it facilities similar to those which have been conceded to our foreign trade. It cannot mean only an empty authority to adopt regulations, without the capacity to give practical effect to them. All the powers of this government should be interpreted in reference to its first, its best, its greatest object, the union of these states. And is not that union best invigorated by an intimate, social, and commercial connexion between all the parts of the confederacy? Can that be accomplished, that is, can the federative objects of this government be attained, but by the application of federative resources?

Of all the powers bestowed on this government, Mr Clay thought none were more clearly vested, than that to regulate the distribution of the intelligence, private and official, of the country; to regulate the distribution of its commerce; and to

regulate the distribution of the physical force of the Union. In the execution of the high and solemn trust which these beneficial powers imply, we must look to the great ends which the framers of our admirable constitution had in view. We must reject, as wholly incompatible with their enlightened and beneficent intentions, that construction of these powers which would resuscitate all the debility and inefficiency of the ancient confederacy. In the vicissitudes of human affairs, who can foresee all the possible cases, in which it may be necessary to apply the public force, within or without the Union? This Government is charged with the use of it, to repel invasions, to suppress insurrections, to enforce the laws of the Union; in short, for all the unknown and undefinable purposes of war, foreign or intestine, wherever and however it may rage. During its existence, may not government, for its effectual prosecution, order a road to be made, or a canal to be cut, to relieve, for example, an exposed point of the Union? If, when the emergency comes, there is a power to provide for it, that power must exist in the constitution, and not in the emergency. A wise, precautionary, and parental policy, anticipating danger, will beforehand provide for the hour of need. Roads and canals are in the nature of fortifications; since, if not the deposits of military resources, they enable you to bring into rapid action, the military resources of the country, whatever they may be. They are better than any fortifications, because they serve the double purposes of peace and of war. They dispense, in a great degree, with fortifications, since they have all the effect of that concentration, at which fortifications aim. I appeal from the precepts of the President to the practice of the President. While he denies to Congress the power in question, he does not scruple, upon his sole authority, as numerous instances in the statute book will testify, to order, at pleasure, the opening of roads by the military, and then come here to ask us to pay for them. Nay, more, Sir; a subordinate, but highly respectable officer of the Executive Government, I believe, would not hesitate to provide a boat or cause a bridge to be erected over an inconsiderable stream, to insure the regular transportation of the mail. And it happens to be within my personal knowledge, that the head of the Post Office Department, as a prompt and vigilant officer should do, had recently despatched an agent to ascertain the causes of the late frequent vexatious failures of the great northern mail, and to inquire if a provision of a boat or bridge over certain small streams in Maryland, which have produced them, would not prevent their recurrence.

I was much surprised at one argument of the honourable gentleman. He told the House, that the Constitution had carefully guarded against inequality, among the several states, in the public burthens, by certain restrictions upon the power of taxation; that the effect of the adoption of a system of internal improvements would be to draw the resources from one part of the Union, and to expend them in the improvements of another; and that the spirit, at least, of the constitutional equality, would be thus violated. From the nature of things, the constitution could not specify the theatre of the expenditure of the public treasure. That expenditure, guided by and looking to the public good, must be made, necessarily, where it will most subserve the interests of the whole Union. The argument is, that the *locale* of the collection of the public contributions, and the *locale* of their disbursement, should be the same. Now, Sir, let us carry this argument out; and no man is more capable than the ingenious gentleman from Virginia, of tracing an argument to its utmost consequences. The *locale* of the collection of the public revenue is the pocket of the citizen; and, to abstain from the violation of the principle of equality adverted to by the gentleman, we should restore back to each man's pocket precisely what was taken from it. If the principle contended for be true, we are habitually violating it. We raise about twenty millions of dollars, a very large revenue, considering the actual distresses of the country. And, Sir, notwithstanding all the puffing, flourishing statements of its prosperity, emanating from printers who are fed upon the pap of the public Treasury, the whole country is in a condition of very great distress. Where is this vast revenue expended? Boston, New-York, the great capitals of the North, are the theatres of its disbursement. There the interest upon the public debt is paid. There the expenditure in the building, equipment, and repair of the national vessels takes place. There all the great expenditures of the government necessarily concentrate. This is no cause of just complaint. It is inevitable, resulting from the accumulation of capital, the state of the arts, and other circumstances belonging to our great cities. But, Sir, if there be a section of this Union having more right than any other to complain of this transfer of the circulating medium from one quarter of the Union to another, the West, the poor West—[Here Mr Barbour explained. He had meant that the Constitution limited Congress as to the proportions of revenue to be drawn from the several states; but the principle of this provision would be vacated by internal improvements of immense expense, and yet of a local character.

Our public ships, to be sure, are built at the sea-ports, but they do not remain there. Their home is the mountain wave; but internal improvements are essentially local; they touch the soil of the states, and their benefits, at least the largest part of them, are confined to the states where they exist.] The explanation of the gentleman has not materially varied the argument. He says that the home of our ships is the mountain wave. Sir, if the ships go to sea, the money with which they were built, or refitted, remains on shore, and the cities where the equipment takes place derive the benefit of the expenditure. It requires no stretch of the imagination to conceive the profitable industry—the axes, the hammers, the saws—the mechanic arts, which are put in motion by this expenditure. And all these, and other collateral advantages, are enjoyed by the sea-ports. The navy is built for the interest of the whole. Internal improvements, of that general, federative character, for which we contend, would also be for the interest of the whole. And, I should think their abiding with us, and not going abroad on the vast deep, was rather cause of recommendation than objection.

But, Mr. Chairman, if there be any part of this Union more likely than all others to be benefited by the adoption of the gentleman's principle, regulating the public expenditure, it is the West. There is a perpetual drain from that embarrassed and highly distressed portion of our country, of its circulating medium to the East. There, but few and inconsiderable expenditures of the public money take place. There we have none of those public works, no magnificent edifices, forts, armories, arsenals, dockyards, &c. which more or less are to be found in every Atlantic state. In at least seven states beyond the Alleghany, not one solitary public work of this Government is to be found. If, by one of those awful and terrible dispensations of Providence, which sometimes occur, this Government should be unhappily annihilated, every where on the seaboard traces of its former existence would be found; whilst we should not have, in the West, a single monument remaining on which to pour out our affections and our regrets. Yet, Sir, we do not complain. No portion of your population is more loyal to the Union, than the hardy freemen of the West. Nothing can weaken or eradicate their ardent desire for its lasting preservation. None are more prompt to vindicate the interests and rights of the nation from all foreign aggression. Need I remind you of the glorious scenes in which they participated, during the late war—a war in which they had no peculiar or direct interest, waged for no commerce, no seamen of theirs. But it was enough for them that it was a war demanded by the character and the honour of the nation. They did not stop to calculate its cost of blood, or of treasure. They flew to arms; they rushed down the valley of the Mississippi, with all the impetuosity of that noble river. They sought the enemy. They found him at the beach. They fought; they bled; they covered themselves and their country with immortal glory. They enthusiastically shared in all the transports occasioned by our victories, whether won on the ocean or on the land. They felt, with the keenest distress, whatever disaster befel us. No, Sir, I repeat it, neglect, injury itself, cannot alienate the affections of the West from this Government. They cling to it, as to their best, their greatest, their last hope. You may impoverish them, reduce them to ruin, by the mistakes of your policy, and you cannot drive them from you. They do not complain of the expenditure of the public money, where the public exigencies require its disbursement. But, I put it to your candour, if you ought not, by a generous and national policy, to mitigate, if not prevent, the evils resulting from the perpetual transfer of the circulating medium from the West to the East. One million and a half of dollars annually, is transferred for the public lands alone; and, almost every dollar goes, like him who goes to death—to a bourne from which no traveller returns. In ten years it will amount to fifteen millions; in twenty to——but I will not pursue the appalling results of arithmetic. Gentlemen who believe that these vast sums are supplied by emigrants from the East, labour under great errour. There was a time when the tide of emigration from the East bore along with it the means to effect the purchase of the public domain. But the time has, in a great measure, now stopt. And as population advances farther and farther West, it will entirely cease. The greatest migrating states in the Union, at this time, are Kentucky first, Ohio next, and Tennessee. The emigrants from those states carry with them, to the states and territories lying beyond them, the circulating medium, which, being invested in the purchase of the public land, is transmitted to the points where the wants of government require it. If this debilitating and exhausting process were inevitable, it must be borne with manly fortitude. But we think that a fit exertion of the powers of this government would mitigate the evil. We believe that the government incontestibly possesses the constitutional power to execute such internal improvements as are called for by the good of the whole. And we appeal to your equity, to your parental regard, to your enlightened policy, to perform the high and beneficial trust thus sacredly reposed. I am sensi-

ble of the delicacy of the topic to which I have reluctantly adverted, in consequence of the observations of the honourable gentleman from Virginia. And I hope there will be no misconception of my motives in dwelling upon it. A wise and considerate government should anticipate and prevent, rather than wait for the operation of causes of discontent.

Let me ask, Mr. Chairman, what has this government done on the great subject of Internal Improvements, after so many years of its existence, and with such an inviting field before it? You have made the Cumberland road, only. Gentlemen appear to have considered that a western road. They ought to recollect that not one stone has yet been broken, not one spade of earth has been yet removed in any Western State. The road begins in Maryland, and it terminates at Wheeling. It passes through the states of Maryland, Pennsylvania, and Virginia. All the direct benefit of the expenditure of the public money on that road, has accrued to those three states. Not one cent in any Western State. And yet we have had to beg, entreat, supplicate you, session after session, to grant the necessary appropriations to complete the road. I have myself toiled until my powers have been exhausted and prostrated, to prevail on you to make the grant. We were actuated to make these exertions for the sake of the collateral benefit only to the West; that we might have a way by which we should be able to continue and maintain an affectionate intercourse with our friends and brethren—that we might have a way to reach the Capitol of our country, and to bring our councils, humble as they may be, to consult and mingle with yours in the advancement of the national prosperity. Yes, Sir, the Cumberland road has only reached the margin of a Western State; and, from some indications which have been given during this session, I should apprehend it would there pause for ever, if my confidence in you were not unbounded; if I had not before witnessed that appeals were never unsuccessful to your justice, to your magnanimity, to your fraternal affection.

But, Sir, the bill on your table is no Western bill. It is emphatically a national bill, comprehending all, looking to the interests of the whole. The people of the West never thought of, never desired, never asked, for a system exclusively for their benefit. The system contemplated by this bill looks to great national objects, and proposes the ultimate application to their accomplishment of the only means by which they can be effected, the means of the nation—means which, if they be withheld from such objects, the Union, I do most solemnly believe, of these now happy and promising states, may, at some distant (I trust a far, far distant) day, be endangered and shaken at its centre.

Early Railroads in America, 1832

BY FRIEDRICH LIST

Philadelphia, Febr. 20. 1832

DEAR SIR,

According to my promise I have the honour to inform you of the progress of railroads in this country, a kind of enterprise which at present absorbs almost all the enterprising spirit and surplus-capital of the U.S. I will commence with New York as the most enterprising state of this union. Here the legislature on the opening of the present session was almost inundated with applications for railroad charters. The aggregate length of all these roads would amount to more than 3000 miles and the capital required to execute all these plans to far above 50 millions of dollars. Remember that these are the projects of a single one of the twenty-four states, whose population amounts to no more than 2 millions. If you take a map of that state and draw a line from one town to the other, from one river to the other and from every lake in all directions then you will have a correct map of these improvements. Many of them, to be sure, are mere schemes for the present and will for a long time not be executed, but the moiety at least may be considered as solid undertakings, called for by the present wants of the public, and will yield handsome dividends and a considerable advance in the stockmarket, even before the roads are finished.

To explain in part how so new a country can undertake such immense works it must be remarked that all these roads will be made on a cheap plan, some with single tracks, all with iron plated wooden or stone rails, laid on a stone foundation. Such a road will cost from 8- to 15,000 dollars per mile (from 100,000 to 180,000 frs. per league) and a number of 30–50 passengers each way will pay a dividend of 6 per cent at a moderate toll. If it is moreover considered that all the lighter goods will take those roads during the whole year and that they will possess the monop-

oly of the whole transport during the winter months, it must be conceded that the prospects of the enterprisers of the principal routes are very fair and flattering. People in the old countries perhaps will find fault, with so cheap fabrics, saying that the wooden superstructure will be rotten after a lapse of 8 or 10 years. But they must consider that people in this country do as people elsewhere, as well as they can, and that capitalists in this country by making cheap railroads if they cannot make dear ones understand still their interest better than capitalists in Europe who make none at all whilst they might make the most solid at the greatest profits. For whilst these cheap superstructures are rotting trade and travelling will increase tenfold and at the time, when they are rotten altogether capitalists will have gained enough to construct the most solid roads. To make dear railroads in this country would be as injudicious as to make cheap ones in yours, where trade and travelling are so immense that the principal routes would pay a dividend of 10 to 25 per cent. on the most solid work the very first year.

The state of New York has as yet only a single railroad in operation, that from Albany to Schenectady, 16 miles long. It does exceedingly well and the stocks are rising rapidly. The most remarkable project, one which may teach people in your country a useful lesson is that from New York to Albany. You know that there is the finest steam navigation in the world between these two places. Steamboats are running up from the evening at 5 o'clock till the next morning at 6. You may go to bed in one place and rise in the other. I have known the fare on this route (160 miles) to have been as low as one dollar and if I am well informed it was never higher than four. And still it has been calculated and proved that on account of the steamboat travelling being interrupted during the winter time a railroad would do exceedingly well on this route.

For the information of the canalmen I remark that the governor of this state as well as a large part of the public are of opinion that the railroads projected from the Hudson to Lake Erie, far from injuring the canal, would benefit it considerably.

Next to New York comes Pennsylvania. This state has not so much projected as the former, but more actually commenced and accomplished last year. In the County of Schuylkill alone 6 roads were finished from 5 to 22 miles long, which are principally calculated to transport coal from the mines to the canal. This state is actually at work to connect the head waters of the Schuylkill with the Susquehannah at the forks near Sunbury and the lower part of the Schuylkill with the lower part of the Susquehannah by a railroad from Philadelphia to Columbia. The former will be 45, the latter 85 miles in length. Philadelphia has also commenced to construct a railroad to Norristown (14 miles) which by and by will be extended to Schuylkill County, thence join the above mentioned road to Sunbury and stretch itself towards Lake Erie, to rival with the great improvements the New Yorkers are planning. For the present the most important enterprises are those, which tend to connect New York with Philadelphia. There are two lines chartered for that purpose. One commences at Camden opposite this city and ends at South Amboy, whence the remaining 30 miles will be made in steamboats; the other to run along the Western bank of the Delaware up to Trenton and thence in a straight line to Jersey City opposite the city of New York. The stock of the first of those lines has already risen from 45 to 75 per cent. That line will accommodate the public in such a manner that a man may go to and fro between the two cities, do his business and breakfast and dine as conveniently as at home. You set out for instance at Camden opposite Philadelphia at 4 o'clock in the morning, the 70 miles between that place and South Amboy you make in 3½ hours. At half past seven you will arrive in the steamboat, where the dinner will be ready. There is ample time to eat it and to make your toilette, whilst you are making the remaining 30 miles, and so you will be fully prepared to do business, and to attend the exchange hours etc., when you arrive between 10–11 o'clock at New York. You have ample time till three in the afternoon, when you will return to the steamboat, where dinner is prepared. You will make your way back to South Amboy in 2½ hours, whilst you eat it, and at nine o'clock in the evening you will be safely retour in your house, having run 140 miles by land and 60 miles by water, eaten regularly your breakfast and dinner, and transacted business for five hours without feeling the slightest fatigue.

It may perhaps serve to pacify somewhat the canalmen in your country, if they hear that on this route also there are two canals, the share holders of which are so far from being enemies to the railroads, that one of the canals has actually married one of the railroads by making a joint stock company. The names of that couple are: Delaware and Raritan Canal and Camden and South Amboy Railroad. Some maintain that the marriage on the side of the canal was made from fear of being outdone by the railroad, others that the railroad will do better in that union than in

single blessedness;—that both will do well together nobody doubts.

In going from Pennsylvania to Maryland we meet in the little state of Delaware two other improvements which may afford occasion to draw a parallel between canals and railroads. There is the Delaware and Chesapeake Canal a splendid enterprise, by which at an expense of about 2 millions of dollars the two bays have been connected in such a manner that sloops of 100 tons burden may pass from one to the other, by going only through two locks. But that great enterprise, though commenced 12 or 15 years ago, and for three years in successfull operation, has not yet been able to declare a single cent of dividend, and in addition to that heavy loss of interest, the stock is scarcely worth 140 for 200 paid in. There is also a railroad from Wilmington to Frenchtown, calculated for a connecting link of the steamboat navigation between the two bays. This railroad was commenced two years ago, will be in full operation this spring, the stock of it is up to 45–50 from 35, paid in; it has only cost between 200,000 and 300,000 dollars and nobody doubts that the share holders will make a dividend of 6 per cent. the very first year of its being in operation. There you have the riddle dissolved why capitalists have so little confidence in splendid canal projects and so much in railroad enterprises.

At Baltimore, the commercial capital of the state of Maryland, we arrive in the headquarters of the American railroad speculations. The great Baltimore and Ohio Railroad was the first of all the great projects of this kind conceived in this country. 60 miles of it are already in operation, 40 will be added in the course of the present summer and the whole till to . . . . . or some place near the town of Wheeling on the banks of the Ohio in the course of three or four years. This road has given this winter a splendid proof of the usefulness of railroads and thereby contributed much to increase their credit throughout the union. Quite unexpectedly the rivers and canals were frozen up as early as the 1. of December when the cities were not yet supplied with coal and firewood. These articles therefore rose in all the great places along the coast from 100–200 per cent. with the only exception of Baltimore, which city was supplied regularly by the railroad, and where therefore scarcely a rise of the price of fuel was perceptible. Travelling also was going on on that road as regularly as in summertime, at the average of from 150 to 200 passengers per day and the city was supplied with flour, butchersmeat and other victuals from a distance of sixty miles as cheap as formerly from a distance of 5. Property has risen 50 per cent., will rise 100 before the road is finished and in a few years that single road will raise the city of Baltimore to the height of Philadelphia and New York.

Baltimore has besides two other great enterprises in hands: a railroad to Washington (40 miles) and one to Yorkhaven (85 miles) where the rafts and arks coming down the Susquehanna hereafter will stop and sell their loading, in order to avoid the dangerous river navigation below that place. It is worthy to be observed that the Baltimorians have the first commenced to construct the rails of granite which they find in abundance along their great routes and to cover those stone rails with iron plates. Some think that kind of roads as solid as the iron rails and it would certainly be recommendable for those regions in France, where granite can be found near the roads, as being considerably cheaper than rails altogether of iron. . . .

Stone foundation. South of the Potomac there is only one great enterprise, the Charleston and Hamburg Railroad, and even that, it is said, is a very unsolid construction and not far advanced. That part of the country is paralysed by the evil of slavery. A small railroad also is constructed to transport stone coal from the mines to Richmond (16 miles) and some others of that dimension are in work or in project. But without northern capital and enterprise there will be no great work going on in that quarter.

In the East and West however the work is going on bravely. Boston has projected roads to the Hudson river and to the Lake Ontario (from 200–300 miles) and to Providence (43 miles). There is capital and spirit more than enough, what Boston projects she will accomplish. As yet she has only three miles of railroads (from a stone quarry to the city) in operation. This will rest for a number of years and is to be considered the father of the railroads on this continent.

In the west the state of Kentucky has undertaken a railroad from Lexington to the Ohio (515 miles). But the state of Ohio as she has taken the lead of the canal enterprises in the west, 500 miles of which she has completed, so she seems to be determined to take the lead in railroads. Two routes to connect the waters of the Ohio with the Lake Erie, and two to cross the state from east to west are discussed and one of them that from Dayton to Sandusky Bay is already chartered and, if I am well informed, also subscribed. The two routes from east to west are but continuations of the great Baltimore and Ohio (south) and of the great New York route (north). That this contin-

uation will take place as soon as those improvements will reach the frontiers of Ohio there will be little doubt.

Now look on the map for the two points Baltimore and Cincinnati. Forty years hence the latter was far beyond the boundary of civilisation. At that time the whole ground of that city, where Cincinnati was laid out, had been sold for 47 dollars. Last fall lots were sold at 50 dollars an inch in front. Twenty five years ago it took a man a whole summer to go to and fro, and even at present it takes in the winter season a whole month. After the railroad has been completed you may travel from one place to the other easily in 24 hours and if it would be continued farther to St. Louis a man residing near the Osages and Texas may go to Washington in 40 hours, that is in a considerably shorter time than you travel at present from Strassburg to Paris and with far less fatigue.

Such are the great advantages of these means of conveyance for agriculturists and manufacturers as well as for commerce, for those who possess lands and houses as well as for those who only trade, for the rich and the poor, for the south and the north, for those who live on the sea coast as well as for the residents of the interior, for the man of pleasure as well as for the man of business, for those who stay at home, or travel about, that twenty years will not elapse before you can travel on railroads from Maine all along the coast to New Orleans from the sea coast to all the western territories on railroads constructed all by individual exertions. The political influence of this new communication is so much felt that President Jackson in his last message considers railroads a new mean given by heaven to unite the different states and increase their means of defense. . . .

Most Respectfully Yours

F. R. List

NULLIFICATION

As a doctrine concerning the interpretation of the Constitution of the United States, nullification asserts the right of a minority state to protect its Constitutional rights when those are attacked by the federal government's action. Nullification rejects the claim of the Supreme Court to be final authority since a branch of the usurping government cannot be judge in its own cause, and insists that peaceable secession is the only possible ultimate remedy. For precedent, nullification looked to the spirit of the Revolution and the theory of a compact among the states as expounded in the Virginia and Kentucky Resolutions of 1798.

One of the most familiar rebuttals of the doctrine is found in Daniel Webster's Second Reply to Hayne. The reply was part of a debate provoked by a resolution concerning not the tariff, which is the measure usually associated with nullification, but the public lands. At the beginning of the Twenty-first Congress, in 1829, Senator Foote of Connecticut offered a resolution inquiring into the desirability of limiting the sale of public lands to those already on the market, suspending surveys, and abolishing the office of Surveyor General. Immediately, Benton of Missouri rose to attack: the proposal was plainly calculated to hinder the settlement of the new states. In conjunction with the tariff of 1828, the resolution indicated a spirit of hostility toward the West, Benton argued. His contention was seized on by Senator Hayne of South Carolina, who declared that, from the beginning of the republic, New England had been unfriendly to the West.

At this point, Webster moved an indefinite postponement of consideration of the Foote Resolution. His speech, the First Reply to Hayne, asserted the supremacy of the Union and the long-standing sympathy New England had shown for the developing West. The Union was no mere temporary convenience, Webster argued then; it was absolutely necessary to national welfare. Let not its usefulness be discussed as one discusses the temper of a weapon or the cost of a farm. Let the Union be reverenced, he implies, and may it be perpetual —or at least unbroken during present lifetimes. Hayne retorted, enlarging on his original Constitutional and historical contentions; and Webster made the famous Second Reply to

Hayne. By that time, Senator Foote and his resolution had apparently been forgotten by everyone except Thomas Hart Benton.

But the resentment against the tariff of 1828, which had embittered the tone of the debate on the Foote Resolution, had results more serious than distorting a discussion of the public lands. The 1828 tariff had been the end-product of protectionist propaganda and log-rolling amendments intended to reduce the measure to such obvious absurdity that it would not pass. The plan failed, however, and the result was a tariff which satisfied no one, not even the entire manufacturing interest.

Next to Jackson's veto of the bill for re-chartering the Bank, the tariff had been one of the most important issues of the 1832 presidential campaign. South Carolina, which had already expressed its views in the *Exposition and Protest* of 1828, called a Convention which met in October, 1832. An upcountry delegate presented a motion denying the competence of the Convention because it represented property and population instead of population alone, and was therefore weighted in favor of the seaboard nullifiers; the Convention vetoed the motion and passed an Ordinance nullifying the tariff of 1828. The Ordinance declared the law null and void as of February 1, 1833, and required that all citizens of South Carolina take an oath to abide by the Convention's decision.

At the year's turn, South Carolina cast its electoral vote for a candidate who had no chance of being returned. The election of a tariff-reform Congress did not alter the state's determination; the Ordinance of Nullification was solemnly transmitted to Washington and the governors of the several states. In reply, President Jackson issued a long proclamation, expounding the Constitution and urging South Carolina to return to her allegiance. State veto of acts of the Federal government is inherently absurd, the proclamation argues; such power is "*incompatible with the existence of the Union, contradicted expressly by the letter of the Constitution, unauthorized by its spirit, inconsistent with every principle on which it was founded, and destructive of the great object for which it was formed.*" Even if there were Constitutional ground for South Carolina's action, moreover, the actual provocation for it is entirely inadequate. The nullifiers have used economic depression caused by the overproduction of cotton to egg South Carolina on to "peaceable" revolution because of objectionable legislation that is in the process of being altered. Finally, the doctrine of peaceable secession would end the existence of the United States as a nation. Neither events nor reason justify nullification, the proclamation concludes, and appeals to the people of South Carolina to recall their Revolutionary memories and their own perilous situation, exposed as they were to possible slave insurrection.

Jackson supplemented argument and appeal with preparation to enforce the law with arms, if necessary, while, in Congress, Clay rushed a compromise tariff by means of a Senate amendment to a House bill. All duties above 20 percent were to be reduced one tenth of one percent each year until 1842, when all duties were to be cut to 20 percent. Clay's proposal attempted to combine conciliation with a measure of protection. It was accepted by all except the most intransigeant wing of the protectionists.

Though the South Carolina Convention met again in 1833 and formally declared Jackson's measures of enforcement null and void, this defiance was an empty one. None of the states to which South Carolina appealed had replied favorably; the attempt at protecting minority interests by "peaceable secession" was postponed until 1861.

Webster's second speech on the Foote Resolution was delivered January 20, 1830. It is reprinted here from Volume III of Webster's *Works* (Boston, 1857). The South Carolina Ordinance of Nullification was passed November 24, 1832. It was accompanied by an Address to the People of South Carolina and one to the People of the United States. It is the latter which is here reprinted; it is taken from the *Journal of the Convention of the People of South Carolina* (Columbia, 1833).

The Second Speech on the Foote Resolution, 1830

BY DANIEL WEBSTER

SIR, the human mind is so constituted, that the merits of both sides of a controversy appear very clear, and very palpable, to those who respectively espouse them; and both sides usually grow clearer as the controversy advances. South Carolina sees unconstitutionality in the tariff; she sees oppression there also, and she sees danger. Pennsylvania, with a vision not less sharp, looks at the same tariff, and sees no such thing in it; she sees it all constitutional, all useful, all safe. The faith of South Carolina is strengthened by opposition, and she now not only sees, but *resolves*, that the tariff is palpably unconstitutional, oppressive, and dangerous; but Pennsylvania, not to be behind her neighbors, and equally willing to strengthen her own faith by a confident asseveration, *resolves*, also, and gives to every warm affirmative of South Carolina, a plain, downright, Pennsylvania negative. South Carolina, to show the strength and unity of her opinion, brings her assembly to a unanimity, within seven voices; Pennsylvania, not to be outdone in this respect any more than in others, reduces her dissentient fraction to a single vote. Now, Sir, again, I ask the gentleman, What is to be done? Are these States both right? Is he bound to consider them both right? If not, which is in the wrong? or rather, which has the best right to decide? And if he, and if I, are not to know what the Constitution means, and what it is, till those two State legislatures, and the twenty-two others, shall agree in its construction, what have we sworn to, when we have sworn to maintain it? I was forcibly struck, Sir, with one reflection, as the gentleman went on in his speech. He quoted Mr. Madison's resolutions, to prove that a State may interfere, in a case of deliberate, palpable, and dangerous exercise of a power not granted. The honorable member supposes the tariff law to be such an exercise of power; and that consequently a case has arisen in which the State may, if it see fit, interfere by its own law. Now it so happens, nevertheless, that Mr. Madison deems this same tariff law quite constitutional. Instead of a clear and palpable violation, it is, in his judgment, no violation at all. So that, while they use his authority for a hypothetical case, they reject it in the very case before them. All this, Sir, shows the inherent futility, I had almost used a stronger word, of conceding this power of interference to the State, and then attempting to secure it from abuse by imposing qualifications of which the States themselves are to judge. One of two things is true; either the laws of the Union are beyond the discretion and beyond the control of the States; or else we have no constitution of general government, and are thrust back again to the days of the Confederation.

Let me here say, Sir, that if the gentleman's doctrine had been received and acted upon in New England, in the times of the embargo and non-intercourse, we should probably not now have been here. The government would very likely have gone to pieces, and crumbled into dust. No stronger case can ever arise than existed under those laws; no States can ever entertain a clearer conviction than the New England States then entertained; and if they had been under the influence of that heresy of opinion, as I must call it, which the honorable member espouses, this Union would, in all probability, have been scattered to the four winds. I ask the gentleman, therefore, to apply his principles to that case; I ask him to come forth and declare, whether, in his opinion, the New England States would have been justified in interfering to break up the embargo system under the conscientious opinions which they held upon it? Had they a right to annul that law? Does he admit or deny? If what is thought palpably unconstitutional in South Carolina justifies that State in arresting the progress of the law, tell me whether that which was thought palpably unconstitutional also in Massachusetts would have justified her in doing the same thing. Sir, I deny the whole doctrine. It has not a foot of ground in the Constitution to stand on. No public man of reputation ever advanced it in Massachusetts in the warmest times, or could maintain himself upon it there at any time.

I wish now, Sir, to make a remark upon the Virginia resolutions of 1798. I cannot undertake to say how these resolutions were understood by those who passed them. Their language is not a little indefinite. In the case of the exercise by Congress of a dangerous power not granted to them, the resolutions assert the right, on the part of the State, to interfere and arrest the progress of the evil. This is susceptible of more than one interpretation. It may mean no more than that the States may interfere by complaint and remonstrance, or by proposing to the people an alteration of the Federal Constitution. This would all be quite unobjectionable. Or it may be that no

more is meant than to assert the general right of revolution, as against all governments, in cases of intolerable oppression. This no one doubts, and this, in my opinion, is all that he who framed the resolutions could have meant by it; for I shall not readily believe that he was ever of opinion that a State, under the Constitution and in conformity with it, could, upon the ground of her own opinion of its unconstitutionality, however clear and palpable she might think the case, annul a law of Congress, so far as it should operate on herself, by her own legislative power.

I must now beg to ask, Sir, Whence is this supposed right of the States derived? Where do they find the power to interfere with the laws of the Union? Sir, the opinion which the honorable gentleman maintains is a notion founded in a total misapprehension, in my judgment, of the origin of this government, and of the foundation on which it stands. I hold it to be a popular government, erected by the people; those who administer it, responsible to the people; and itself capable of being amended and modified, just as the people may choose it should be. It is as popular, just as truly emanating from the people, as the State governments. It is created for one purpose; the State governments for another. It has its own powers; they have theirs. There is no more authority with them to arrest the operation of a law of Congress, than with Congress to arrest the operation of their laws. We are here to administer a Constitution, emanating immediately from the people, and trusted by them to our administration. It is not the creature of the State governments. It is of no moment to the argument, that certain acts of the State legislatures are necessary to fill our seats in this body. That is not one of their original State powers, a part of the sovereignty of the State. It is a duty which the people, by the Constitution itself, have imposed on the State legislatures; and which they might have left to be performed elsewhere, if they had seen fit. So they have left the choice of President with electors; but all this does not affect the proposition that this whole government, President, Senate, and House of Representatives, is a popular government. It leaves it still all its popular character. The governor of a State (in some of the States) is chosen, not directly by the people, but by those who are chosen by the people, for the purpose of performing, among other duties, that of electing a governor. Is the government of the State, on that account, not a popular government? This government, Sir, is the independent offspring of the popular will. It is not the creature of State legislatures; nay, more, if the whole truth must be told, the people brought it into existence, established it, and have hitherto supported it, for the very purpose, amongst others, of imposing certain salutary restraints on State sovereignties. The States cannot now make war; they cannot contract alliances; they cannot make, each for itself, separate regulations of commerce; they cannot lay imposts; they cannot coin money. If this Constitution, Sir, be the creature of State legislatures, it must be admitted that it has obtained a strange control over the volitions of its creators.

The people, then, Sir, erected this government. They gave it a Constitution, and in that Constitution they have enumerated the powers which they bestow on it. They have made it a limited government. They have defined its authority. They have restrained it to the exercise of such powers as are granted; and all others, they declare, are reserved to the States or the people. But, Sir, they have not stopped here. If they had, they would have accomplished but half their work. No definition can be so clear, as to avoid possibility of doubt; no limitation so precise, as to exclude all uncertainty. Who, then, shall construe this grant of the people? Who shall interpret their will, where it may be supposed they have left it doubtful? With whom do they repose this ultimate right of deciding on the powers of the government? Sir, they have settled all this in the fullest manner. They have left it with the government itself, in its appropriate branches. Sir, the very chief end, the main design, for which the whole Constitution was framed and adopted, was to establish a government that should not be obliged to act through State agency, or depend on State opinion and State discretion. The people had had quite enough of that kind of government under the Confederation. Under that system, the legal action, the application of law to individuals, belonged exclusively to the States. Congress could only recommend; their acts were not of binding force, till the States had adopted and sanctioned them. Are we in that condition still? Are we yet at the mercy of State discretion and State construction? Sir, if we are, then vain will be our attempt to maintain the Constitution under which we sit.

But, Sir, the people have wisely provided, in the Constitution itself, a proper, suitable mode and tribunal for settling questions of constitutional law. There are in the Constitution grants of powers to Congress, and restrictions on these powers. There are, also, prohibitions on the States. Some authority must, therefore, necessarily exist, having the ultimate jurisdiction to fix and ascertain the interpretation of these grants, restrictions, and pro-

hibitions. The Constitution has itself pointed out, ordained, and established that authority. How has it accomplished this great and essential end? By declaring, Sir, that "*the Constitution, and the laws of the United States made in pursuance thereof, shall be the supreme law of the land, any thing in the constitution or laws of any State to the contrary notwithstanding.*"

This, Sir, was the first great step. By this the supremacy of the Constitution and laws of the United States is declared. The people so will it. No State law is to be valid which comes in conflict with the Constitution, or any law of the United States passed in pursuance of it. But who shall decide this question of interference? To whom lies the last appeal? This, Sir, the Constitution itself decides also, by declaring, "*that the judicial power shall extend to all cases arising under the Constitution and laws of the United States.*" These two provisions cover the whole ground. They are, in truth, the keystone of the arch! With these it is a government; without them it is a confederation. In pursuance of these clear and express provisions, Congress established, at its very first session, in the judicial act, a mode for carrying them into full effect, and for bringing all questions of constitutional power to the final decision of the Supreme Court. It then, Sir, became a government. It then had the means of self-protection; and but for this, it would, in all probability, have been now among things which are past. Having constituted the government, and declared its powers, the people have further said, that, since somebody must decide on the extent of these powers, the government shall itself decide; subject, always, like other popular governments, to its responsibility to the people. And now, Sir, I repeat, how is it that a State legislature acquires any power to interfere? Who, or what, gives them the right to say to the people, "We, who are your agents and servants for one purpose, will undertake to decide, that your other agents and servants, appointed by you for another purpose, have transcended the authority you gave them!" The reply would be, I think, not impertinent,—"Who made you a judge over another's servants? To their own masters they stand or fall."

Sir, I deny this power of State legislatures altogether. It cannot stand the test of examination. Gentlemen may say, that, in an extreme case, a State government might protect the people from intolerable oppression. Sir, in such a case, the people might protect themselves, without the aid of the State governments. Such a case warrants revolution. It must make, when it comes, a law for itself. A nullifying act of a State legislature cannot alter the case, nor make resistance any more lawful. In maintaining these sentiments, Sir, I am but asserting the rights of the people. I state what they have declared, and insist on their right to declare it. They have chosen to repose this power in the general government, and I think it my duty to support it, like other constitutional powers.

For myself, Sir, I do not admit the competency of South Carolina, or any other State, to prescribe my constitutional duty; or to settle between me and the people, the validity of laws of Congress, for which I have voted. I decline her umpirage. I have not sworn to support the Constitution according to her construction of its clauses. I have not stipulated, by my oath of office or otherwise, to come under any responsibility, except to the people, and those whom they have appointed to pass upon the question, whether laws, supported by my votes, conform to the Constitution of the country. And, Sir, if we look to the general nature of the case, could any thing have been more preposterous, than to make a government for the whole Union, and yet leave its powers subject, not to one interpretation, but to thirteen or twenty-four interpretations? Instead of one tribunal, established by all, responsible to all, with power to decide for all, shall constitutional questions be left to four-and-twenty popular bodies, each at liberty to decide for itself, and none bound to respect the decisions of others; and each at liberty, too, to give a new construction on every new election of its own members? Would any thing, with such a principle in it, or rather with such a destitution of all principle, be fit to be called a government? No, Sir. It should not be denominated a Constitution. It should be called, rather, a collection of topics for everlasting controversy; heads of debate for a disputatious people. It would not be a government. It would not be adequate to any practical good, or fit for any country to live under.

To avoid all possibility of being misunderstood, allow me to repeat again, in the fullest manner, that I claim no powers for the government by forced or unfair construction. I admit that it is a government of strictly limited powers; of enumerated, specified, and particularized powers; and that whatsoever is not granted, is withheld. But notwithstanding all this, and however the grant of powers may be expressed, its limit and extent may yet, in some cases, admit of doubt; and the general government would be good for nothing, it would be incapable of long existing, if some mode had not been provided in which those doubts, as they should arise, might be peaceably, but authoritatively, solved.

And now, Mr. President, let me run the honor-

able gentleman's doctrine a little into its practical application. Let us look at his probable *modus operandi*. If a thing can be done, an ingenious man can tell *how* it is to be done, and I wish to be informed *how* this State interference is to be put in practice, without violence, bloodshed, and rebellion. We will take the existing case of the tariff law. South Carolina is said to have made up her opinion upon it. If we do not repeal it (as we probably shall not), she will then apply to the case the remedy of her doctrine. She will, we must suppose, pass a law of her legislature, declaring the several acts of Congress, usually called the tariff laws, null and void, so far as they respect South Carolina, or the citizens thereof. So far, all is a paper transaction, and easy enough. But the collector at Charleston is collecting the duties imposed by these tariff laws. He, therefore, must be stopped. The collector will seize the goods if the tariff duties are not paid. The State authorities will undertake their rescue, the marshal, with his posse, will come to the collector's aid, and here the contest begins. The militia of the State will be called out to sustain the nullifying act. They will march, Sir, under a very gallant leader; for I believe the honorable member himself commands the militia of that part of the State. He will raise the NULLIFYING ACT on his standard, and spread it out as his banner! It will have a preamble, setting forth, that the tariff laws are palpable, deliberate, and dangerous violations of the Constitution! He will proceed, with this banner flying, to the custom-house in Charleston,

"All the while,
Sonorous metal blowing martial sounds."

Arrived at the custom-house, he will tell the collector that he must collect no more duties under any of the tariff laws. This he will be somewhat puzzled to say, by the way, with a grave countenance, considering what hand South Carolina herself had in that of 1816. But, Sir, the collector would not, probably, desist, at his bidding. He would show him the law of Congress, the treasury instruction, and his own oath of office. He would say, he should perform his duty, come what come might.

Here would ensue a pause; for they say that a certain stillness precedes the tempest. The trumpeter would hold his breath awhile, and before all this military array should fall on the custom-house, collector, clerks, and all, it is very probable some of those composing it would request of their gallant commander-in-chief to be informed a little upon the point of law; for they have, doubtless, a just respect for his opinions as a lawyer, as well as for his bravery as a soldier. They know he has read Blackstone and the Constitution, as well as Turenne and Vauban. They would ask him, therefore, something concerning their rights in this matter. They would inquire, whether it was not somewhat dangerous to resist a law of the United States. What would be the nature of their offence, they would wish to learn, if they, by military force and array, resisted the execution in Carolina of a law of the United States, and it should turn out, after all, that the law *was constitutional?* He would answer, of course, Treason. No lawyer could give any other answer. John Fries, he would tell them, had learned that, some years ago. How, then, they would ask, do you propose to defend us? We are not afraid of bullets, but treason has a way of taking people off that we do not much relish. How do you propose to defend us? "Look at my floating banner," he would reply; "see there the *nullifying law!*" Is it your opinion, gallant commander, they would then say, that, if we should be indicted for treason, that same floating banner of yours would make a good plea in bar? "South Carolina is a sovereign State," he would reply. That is true; but would the judge admit our plea? "These tariff laws," he would repeat, "are unconstitutional, palpably, deliberately, dangerously." That may all be so; but if the tribunal should not happen to be of that opinion, shall we swing for it? We are ready to die for our country, but it is rather an awkward business, this dying without touching the ground! After all, that is a sort of hemp tax worse than any part of the tariff.

Mr. President, the honorable gentleman would be in a dilemma, like that of another great general. He would have a knot before him which he could not untie. He must cut it with his sword. He must say to his followers, "Defend yourselves with your bayonets"; and this is war,—civil war.

Direct collision, therefore, between force and force, is the unavoidable result of that remedy for the revision of unconstitutional laws which the gentleman contends for. It must happen in the very first case to which it is applied. Is not this the plain result? To resist by force the execution of a law, generally, is treason. Can the courts of the United States take notice of the indulgence of a State to commit treason? The common saying, that a State cannot commit treason herself, is nothing to the purpose. Can she authorize others to do it? If John Fries had produced an act of Pennsylvania, annulling the law of Congress, would it have helped his case? Talk about it as we will, these doctrines go the length of revolution. They are incompatible with any peaceable administra-

tion of the government. They lead directly to disunion and civil commotion; and therefore it is, that at their commencement, when they are first found to be maintained by respectable men, and in a tangible form, I enter my public protest against them all.

The honorable gentleman argues, that if this government be the sole judge of the extent of its own powers, whether that right of judging be in Congress or the Supreme Court, it equally subverts State sovereignty. This the gentleman sees, or thinks he sees, although he cannot perceive how the right of judging, in this matter, if left to the exercise of State legislatures, has any tendency to subvert the government of the Union. The gentleman's opinion may be, that the right *ought not* to have been lodged with the general government; he may like better such a constitution as we should have under the right of State interference; but I ask him to meet me on the plain matter of fact. I ask him to meet me on the Constitution itself. I ask him if the power is not found there, clearly and visibly found there?

But, Sir, what is this danger, and what are the grounds of it? Let it be remembered, that the Constitution of the United States is not unalterable. It is to continue in its present form no longer than the people who established it shall choose to continue it. If they shall become convinced that they have made an injudicious or inexpedient partition and distribution of power between the State governments and the general government, they can alter that distribution at will.

If any thing be found in the national Constitution, either by original provision or subsequent interpretation, which ought not to be in it, the people know how to get rid of it. If any construction, unacceptable to them, be established, so as to become practically a part of the Constitution, they will amend it, at their own sovereign pleasure. But while the people choose to maintain it as it is, while they are satisfied with it, and refuse to change it, who has given, or who can give, to the State legislatures a right to alter it, either by interference, construction, or otherwise? Gentlemen do not seem to recollect that the people have any power to do any thing for themselves. They imagine there is no safety for them, any longer than they are under the close guardianship of the State legislatures. Sir, the people have not trusted their safety, in regard to the general Constitution, to these hands. They have required other security, and taken other bonds. They have chosen to trust themselves, first, to the plain words of the instrument, and to such construction as the government themselves, in doubtful cases, should put on their own powers, under their oaths of office, and subject to their responsibility to them; just as the people of a State trust their own State governments with a similar power. Secondly, they have reposed their trust in the efficacy of frequent elections, and in their own power to remove their own servants and agents whenever they see cause. Thirdly, they have reposed trust in the judicial power, which, in order that it might be trustworthy, they have made as respectable, as disinterested, and as independent as was practicable. Fourthly, they have seen fit to rely, in case of necessity, or high expediency, on their known and admitted power to alter or amend the Constitution, peaceably and quietly, whenever experience shall point out defects or imperfections. And, finally, the people of the United States have at no time, in no way, directly or indirectly, authorized any State legislature to construe or interpret *their* high instrument of government; much less, to interfere, by their own power, to arrest its course and operation.

If, Sir, the people in these respects had done otherwise than they have done, their constitution could neither have been preserved, nor would it have been worth preserving. And if its plain provisions shall now be disregarded, and these new doctrines interpolated in it, it will become as feeble and helpless a being as its enemies, whether early or more recent, could possibly desire. It will exist in every State but as a poor dependent on State permission. It must borrow leave to be; and will be, no longer than State pleasure, or State discretion, sees fit to grant the indulgence, and to prolong its poor existence.

But, Sir, although there are fears, there are hopes also. The people have preserved this, their own chosen Constitution, for forty years, and have seen their happiness, prosperity, and renown grow with its growth, and strengthen with its strength. They are now, generally, strongly attached to it. Overthrown by direct assault, it cannot be; evaded, undermined, NULLIFIED, it will not be, if we, and those who shall succeed us here, as agents and representatives of the people, shall conscientiously and vigilantly discharge the two great branches of our public trust, faithfully to preserve, and wisely to administer it.

Mr. President, I have thus stated the reasons of my dissent to the doctrines which have been advanced and maintained. I am conscious of having detained you and the Senate much too long. I was drawn into the debate with no previous deliberation, such as is suited to the discussion of so grave and important a subject. But it is a subject of which my heart is full, and I have not been

willing to suppress the utterance of its spontaneous sentiments. I cannot, even now, persuade myself to relinquish it, without expressing once more my deep conviction, that, since it respects nothing less than the Union of the States, it is of most vital and essential importance to the public happiness. I profess, Sir, in my career hitherto, to have kept steadily in view the prosperity and honor of the whole country, and the preservation of our Federal Union. It is to that Union we owe our safety at home, and our consideration and dignity abroad. It is to that Union that we are chiefly indebted for whatever makes us most proud of our country. That Union we reached only by the discipline of our virtues in the severe school of adversity. It had its origin in the necessities of disordered finance, prostrate commerce, and ruined credit. Under its benign influences, these great interests immediately awoke, as from the dead, and sprang forth with newness of life. Every year of its duration has teemed with fresh proofs of its utility and its blessings; and although our territory has stretched out wider and wider, and our population spread farther and farther, they have not outrun its protection or its benefits. It has been to us all a copious fountain of national, social, and personal happiness.

I have not allowed myself, Sir, to look beyond the Union, to see what might lie hidden in the dark recess behind. I have not coolly weighed the chances of preserving liberty when the bonds that unite us together shall be broken asunder. I have not accustomed myself to hang over the precipice of disunion, to see whether, with my short sight, I can fathom the depth of the abyss below; nor could I regard him as a safe counsellor in the affairs of this government, whose thoughts should be mainly bent on considering, not how the Union may be best preserved, but how tolerable might be the condition of the people when it should be broken up and destroyed. While the Union lasts, we have high, exciting, gratifying prospects spread out before us, for us and our children. Beyond that I seek not to penetrate the veil. God grant that in my day, at least, that curtain may not rise! God grant that on my vision never may be opened what lies behind! When my eyes shall be turned to behold for the last time the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious Union; on States dissevered, discordant, belligerent; on a land rent with civil feuds, or drenched, it may be, in fraternal blood! Let their last feeble and lingering glance rather behold the gorgeous ensign of the republic, now known and honored throughout the earth, still full high advanced, its arms and trophies streaming in their original lustre, not a stripe erased or polluted, nor a single star obscured, bearing for its motto, no such miserable interrogatory as "What is all this worth?" nor those other words of delusion and folly, "Liberty first and Union afterwards"; but everywhere, spread all over in characters of living light, blazing on all its ample folds, as they float over the sea and over the land, and in every wind under the whole heavens, that other sentiment, dear to every true American heart,—Liberty *and* Union, now and for ever, one and inseparable!

Address to the People of the United States on the South Carolina Ordinance of Nullification, 1832

To the People of Massachusetts, Virginia, New York, Pennsylvania, North Carolina, Maryland, Connecticut, Vermont, New Hampshire, Maine, New Jersey, Georgia, Delaware, Rhode Island, Kentucky, Tennessee, Ohio, Louisiana, Indiana, Mississippi, Illinois, Alabama and Missouri.

We, the People of South Carolina, assembled in Convention, have solemnly and deliberately declared, in our paramount sovereign capacity, that the act of Congress approved the 19th day of May 1828, and the act approved the 14th July 1832, altering and amending the several acts imposing duties on imports, are unconstitutional, and therefore, absolutely void, and of no binding force within the limits of this State; and for the purpose of carrying this declaration into full and complete effect, we have invested the Legislature with ample powers, and made it the duty of all the functionaries and all the citizens of the State, on their allegiance, to co-operate in enforcing the aforesaid declaration.

In resorting to this important measure, to which we have been impelled by the most sacred of all duties which a free people can owe, either to the memory of their ancestors or to the claims of their posterity, we feel that it is due to the intimate political relation which exists between South Carolina and the other States of this confederacy, that we should present a clear and distinct exposition of the principles on which we have acted,

and of the causes by which we have been reluctantly constrained to assume this attitude of sovereign resistance in relation to the usurpations of the Federal Government.

For this purpose, it will be necessary to state, briefly, what we conceive to be the relation created by the Federal Constitution, between the States and the General Government; and also what we conceive to be the true character and practical operation of the system of protecting duties, as it effects our rights, our interests and our liberties.

We hold then, that on their separation from the Crown of Great Britain, the several Colonies became free and independent States, each enjoying the separate and independent right of self government; and that no authority can be exercised over them or within their limits, but by their consent, respectively given as States. It is equally true, that the Constitution of the United States is a compact formed between the several States, acting as sovereign communities; that the government created by it is a joint agency of the States, appointed to execute the powers enumerated and granted by that instrument; that all its acts not intentionally authorised are of themselves essentially null and void, and that the States have the right, in the same sovereign capacity in which they adopted the Federal Constitution, to pronounce, in the last resort, authoritative judgment on the usurpations of the Federal Government; and to adopt such measures as they may deem necessary and expedient to arrest the operation of the unconstitutional acts of that Government, within their respective limits. Such we deem to be the inherent rights of the States—rights, in the very nature of things, absolutely inseparable from sovereignty. Nor is the duty of a State, to arrest an unconstitutional and oppressive act of the Federal Government less imperative, than the right is incontestible. Each State, by ratifying the Federal Constitution, and becoming a member of the confederacy, contracted an obligation to "protect and defend" that instrument, as well by resisting the usurpations of the Federal Government, as by sustaining that government in the exercise of the powers actually conferred upon it. And the obligation of the oath which is imposed, under the Constitution, on every functionary of the States, to "preserve, protect, and defend" the Federal Constitution, as clearly comprehends the duty of protecting and defending it against the usurpations of the Federal Government, as that of protecting and defending it against violation in any other form or from any other quarter.

It is true, that in ratifying the Federal Constitution, the States placed a large and important portion of the rights of their citizens under the joint protection of all the States, with a view to their more effectual security; but it is not less true that they reserved a portion still larger and not less important under their own immediate guardianship, and in relation to which their original obligation to protect their citizens, from whatever quarter assailed, remains unchanged and undiminished.

But clear and undoubted as we regard the right, and sacred as we regard the duty of the States to interpose their sovereign power for the purpose of protecting their citizens from the unconstitutional and oppressive acts of the Federal Government, yet we are as clearly of the opinion that nothing short of that high moral and political necessity, which results from acts of usurpation, subversive of the rights and liberties of the people, should induce a member of this confederacy to resort to this interposition. Such however, is the melancholy and painful necessity under which we have declared the acts of Congress imposing protecting duties, null and void within the limits of South Carolina. The spirit and the principles which animated your ancestors and ours in the councils and in the fields of their common glory, forbid us to submit any longer to a system of Legislation now become the established policy of the Federal Government, by which we are reduced to a condition of colonial vassalage, in all its aspects more oppressive and intolerable than that from which our common ancestors relieved themselves by the war of the revolution. There is no right which enters more essentially into a just conception of liberty, than that of the free and unrestricted use of the productions of our industry wherever they can be most advantageously exchanged, whether in foreign or domestic markets. South Carolina produces, almost exclusively, agricultural staples, which derive their principal value from the demand for them in foreign countries. Under these circumstances, her natural markets are abroad; and restrictive duties imposed upon her intercourse with those markets, diminish the exchangeable value of her productions very nearly to the full extent of those duties.

Under a system of free trade, the aggregate crop of South Carolina could be exchanged for a larger quantity of manufactures, by at least one third, than it can be now exchanged for under the protecting system. It is no less evident, that the value of that crop is diminished by the protecting system very nearly, if not precisely, to the extent that the aggregate quantity of manufactures which can be obtained for it, is diminished. It is, indeed,

strictly philosophically true, that the quantity of consumable commodities which can be obtained for the cotton and rice annually produced by the industry of the State, is the precise measure of their aggregate value. But for the prevalent and habitual error of confounding the money price with the exchangeable value of our agricultural staples these propositions would be regarded as self evident. If the protecting duties were repealed, one hundred bales of cotton or one hundred barrels of rice would purchase as large a quantity of manufactures, as one hundred and fifty will now purchase. The annual income of the State, its means of purchasing and consuming the necessaries and comforts and luxuries of life, would be increased in a corresponding degree.

Almost the entire crop of South Carolina, amounting annually to more than six millions of dollars, is ultimately exchanged either for foreign manufactures, subject to protecting duties, or for similar domestic manufactures. The *natural* value of the crop would be all the manufactures which we could obtain for it, under a system of unrestricted commerce. The *artificial* value, produced by the unjust and unconstitutional Legislation of Congress, is only such part of those manufactures as will remain after paying a duty of fifty per cent to the Government, or, to speak with more precision, to the Northern manufacturers. To make this obvious to the humblest comprehension, let it be supposed that the whole of the present crop should be exchanged, by the planters themselves, for those foreign manufactures, for which it is destined, by the inevitable course of trade, to be ultimately exchanged, either by themselves or their agents. Let it be also assumed, in conformity with the facts of the case, that New Jersey, for example, produces, of the very same description of manufactures, a quantity equal to that which is purchased by the cotton crop of South Carolina. We have, then, two States of the same confederacy, bound to bear an equal share of the burthens, and entitled to enjoy an equal share of the benefits of the common government, with precisely the same quantity of productions, of the same quality and kind, produced by their lawful industry. We appeal to your candor, and to your sense of justice, to say whether South Carolina has not a title as sacred and indefeasable, to the full and undiminished enjoyment of these productions of her industry, acquired by the combined operations of agriculture and commerce, as New Jersey can have to the like enjoyment of similar productions of her industry, acquired by the process of manufacture? Upon no principle of human reason or justice, can any discrimination be drawn between the titles of South Carolina and New Jersey to these productions of their capital and labor. Yet what is the discrimination actually made by the unjust, unconstitutional and partial Legislation of Congress? A duty, on an average, of fifty per cent, is imposed upon the productions of South Carolina, while no duty at all is imposed upon the similar productions of New Jersey! The inevitable result is, that the manufactures thus lawfully acquired by the honest industry of South Carolina, are worth, annually, three millions of dollars less to her citizens than the very same quantity of the very same description of manufactures are worth to the citizens of New Jersey—a difference of value produced exclusively by the operation of the protecting system. . . .

Having now presented, for the consideration of the Federal Government and our confederate States, the fixed and final determination of this State, in relation to the protecting system, it remains for us to submit a plan of taxation, in which we would be willing to acquiesce, in a spirit of liberal concession, provided we are met in due time, and in a becoming spirit, by the States interested in the protection of manufactures.

We believe, that upon every just and equitable principle of taxation, the whole list of protected articles should be imported free of all duty, and that the revenue derived from import duties, should be raised exclusively from the unprotected articles; or that whenever a duty is imposed upon protected articles imported, an excise duty of the same rate, should be imposed upon all similar articles, manufactured in the United States. This would be as near an approach to perfect equality as could possibly be made, in a system of indirect taxation. No substantial reason can be given for subjecting manufactures, obtained from abroad, in exchange for the productions of South Carolina, to the smallest duty, even for revenue, which would not show that similar manufactures made in the United States, should be subject to the very same rate of duty. The former, not less than the latter, are, to every rational intent, the productions of domestic industry, and the mode of acquiring the one, is as lawful and more conducive to the public prosperity, than that of acquiring the other.

But we are willing to make a large offering to preserve the Union; and with a distinct declaration that it is a concession on our part, we will consent that the same rate of duty may be imposed upon the protected articles that shall be imposed upon the unprotected, provided that no more revenue be raised than is necessary to meet the demands of the Government for Constitutional purposes; and provided also, that a duty, substan-

tially uniform, be imposed upon all foreign imports.

It is obvious, that even under this arrangement, the manufacturing States would have a decided advantage over the planting States. For it is demonstrably evident that, as communities, the manufacturing States would bear no part of the burthens of Federal Taxation, so far as the revenue should be derived from protected articles. The earnestness with which their representatives seek to increase the duties on these articles, is conclusive proof that those duties are bounties, and not burthens, to their constituents. As at least two-thirds of the federal revenue would be raised from protected articles, under the proposed modification of the Tariff, the manufacturing States would be entirely exempted from all participation in that proportion of the public burthens.

Under these circumstances, we cannot permit ourselves to believe, for a moment, that in a crisis marked by such portentous and fearful omens, those States can hesitate in acceding to this arrangement, when they perceive that it will be the means, and possibly the only means, of restoring the broken harmony of this great confederacy. They, most assuredly, have the strongest of human inducements, aside from all considerations of justice, to adjust this controversy, without pushing it to extremities. This can be accomplished only by the proposed modification of the Tariff, or by the call of a general Convention of all the States. If South Carolina should be driven out of the Union, all the other planting States, and some of the Western States, would follow by an almost absolute necessity. Can it be believed that Georgia, Mississippi, Tennessee, and even Kentucky, would continue to pay a tribute of fifty per cent. upon their consumption, to the Northern States, for the privilege of being united to them, when they could receive all their supplies through the ports of South Carolina, without paying a single cent of tribute?

The separation of South Carolina would inevitably produce a general dissolution of the Union; and as a necessary consequence, the protecting system, with all its pecuniary bounties to the Northern States, and its pecuniary burthens upon the Southern States, would be utterly overthrown and demolished, involving the ruin of thousands and hundreds of thousands in the manufacturing States.

By these powerful considerations connected with their own pecuniary interests, we beseech them to pause and contemplate the disastrous consequences which will certainly result from an obstinate perseverance on their part, in maintaining the protecting system. With them, it is a question merely of pecuniary interest, connected with no shadow of right, and involving no principle of liberty. With us, it is a question involving our most sacred rights—those very rights which our common ancestors left to us as a common inheritance, purchased by their common toils, and consecrated by their blood. It is a question of liberty on the one hand, and slavery on the other. If we submit to this system of unconstitutional oppression, we shall voluntarily sink into slavery, and transmit that ignominious inheritance to our children. We will not, we cannot, we dare not, submit to this degradation; and our resolve is fixed and unalterable, that a protecting tariff shall be no longer enforced within the limits of South Carolina. We stand upon the principles of everlasting justice, and no human power shall drive us from our position.

We have not the slightest apprehension that the General Government will attempt to force this system upon us by military power. We have warned our brethren of the consequences of such an attempt.—But if, notwithstanding, such a course of madness should be pursued, we here solemnly declare, that this system of oppression shall never prevail in South Carolina, until none but slaves are left to submit to it. We would infinitely prefer that the territory of the State should be the cemetery of freemen, than the habitation of slaves. Actuated by these principles, and animated by these sentiments, we will cling to the pillars of the temple of our liberties, and if it must fall, we will perish amidst the ruins.

THE SECOND BANK OF THE UNITED STATES

THE SECOND BANK OF THE UNITED STATES had been chartered for twenty years in 1816. After an unfortunate start, the bank achieved a degree of business success and at the same time began to make enemies. Its privileges, its practice of enforcing specie payment by the presentation of local banknotes for redemption, and the suspicion of political activity by some of its branches all created hostility, particularly in the West and South. Opposition to a

national bank was a key tenet of Jeffersonian Democracy—although it was a Democratic administration which had granted the Second Bank's charter—and distrust of all paper money was present and active in the very areas which had least specie as a basis for currency. Personal losses through bank failures and worthless banknotes may have been behind the opposition of certain congressional leaders; also, the support won by the Jacksonians' struggle against the bank from urban artisans and workingmen of the East rested on so simple a fact as the experience of being paid in money that could not be spent except at a discount. In any event, the opponents of the bank were frequently "hard money" men.

Whatever the reasoning Andrew Jackson followed, his first message to Congress in 1829 had suggested that it consider the propriety of renewing the bank charter, since both the expediency and the Constitutionality of the institution were in doubt. The bank's supporters considered this a challenge. They took up the gage by assigning the pertinent portion of the President's message to a Senate committee, which made a favorable report that was spread broadcast by friends of the bank.

On the second of February, 1831, Senator Thomas Hart Benton (1782–1858) of Missouri attacked not only the Second Bank of the United States but the whole system of maintaining a connection between the Federal government and any bank of issue. Benton asked leave to introduce a resolution denying renewal of the bank's charter and presented the Jacksonians' case against the bank. He began his speech in support of that resolution by rebuking those who declared discussion premature, since the bank's twenty-year charter had five years still to run. The bank's friends did not consider favorable discussion premature, for they had already given wide distribution to the favorable report of the Senate committee, a report which the Senate itself had not had time to debate or accept. This in itself proved how little time remained; proponents of the bank meant to force renewal of the charter before the people could be aroused to the issue. Benton then proceeded to the attack: if the bank's stockholders declared themselves injured by the loss of the charter, they would merely be demonstrating how all privileged persons tend "to mistake privilege for right." But it was the power of the bank that roused Benton's real wrath. As custodian of government funds, the bank had free use of federal balances; the Federal government was, in effect, its partner, lending it a profitable prestige. Since its notes alone were legally receivable in payment for United States property and debts, any banknotes it refused to accept at par could be excluded from such payment—an important matter at a time when the United States was selling millions of acres of land each year. The Bank of the United States, in fact, could and did exclude the notes of Southern and Western banks from circulation even while its demands drained specie from those sections. It was empowered to hold real estate and had become a great landowner. By reason of its corporate privileges, the bank as landlord could evade state laws against land monopoly through entails; furthermore, those privileges enabled its numerous foreign stockholders to evade state taxation and state laws regulating land tenure.

Even worse than these oppressions, actual and potential, was the character of the charter, by which the bank was exempted from prosecution for violation of the the charter unless the President or Congress consented to such action—a fact sufficient to put the bank in politics and keep it there. Further, the bank was a monopoly, for Congress had renounced the right to charter another bank, thus copying a privilege given the Bank of England in the reign of Queen Anne "when a Tory Queen, a Tory Ministry and a Tory Parliament . . . were ruling and riding over the prostrate liberties of England."

Benton turned from monopoly to the Constitution to support the contention that the Federal government should give no countenance to paper money: specie was the medium

of exchange proper to a republic. It is not "currency" but "coin" which the Constitution authorized Congress to regulate: "to construe coin, that is to say metallic money, melted, cast, and stamped, into paper notes printed and written" is "to assume a power of life and death over the Constitution; a power to dethrone and murder one of its true and lawful words, and to set up a bastard pretender in its place."

If the bank were rechartered with its present powers, Benton concluded, the entire economic life of the United States would depend on the "owners of this imperial stock," great foreign capitalists and the native money lords who lived in the eastern cities which, for the past forty years, had been "the lion's den of Southern and Western money."

Benton's request for leave to introduce his resolution was denied by a vote of 23 to 30, and no Senator troubled to answer his speech. But though debate stopped, Benton had carried out his purpose. As he wrote later, his "was a speech to be read by the people—the masses—the millions; and was conceived and delivered for that purpose, and was read by them; and has been complimented since, as having crippled the bank, and given it the wound of which it afterward died; but not within the year and a day which would make the slayer responsible for the homicide." (*Thirty Years' View*, New York, 1854, Vol. I, p. 204.)

Although the speech was not quite the opening gun in the fight, it presents most of the arguments and illuminates many of the prejudices which were finally to defeat the bank. The bank was a monopoly owned by foreigners and exploiting the government and people of the United States. If unchecked, it would go on to control the government as well as to use its money without payment.

The bank's supporters were not content with attempting to smother debate and to meet Jackson's challenge by indirect means. By November, 1831, both Clay and Webster advised the bank to apply for a renewal of its charter before the President should be reelected. Democratic partisans of the bank warned against that course: if Jackson were "pressed into a corner, neither McLane nor myself will answer for the consequences," wrote Senator Smith of Maryland.

Faced with this division of opinion among his friends, Nicholas Biddle (1786–1844), wit, politician, poet, and financier, sent an agent of his own to Washington and increased the effort to win public favor for the bank of which he was president. Aggressive measures would assure a veto, moderates warned, but Biddle took such measures, nevertheless. In May, 1832, Biddle went to Washington himself and Webster declared it was his influence which finally won Senate approval of the bill rechartering the bank.

Jackson vetoed the bill when it was presented for his signature. The veto rehearses only some of the claims set forth in Benton's speech of February, 1831: Jackson paid no attention to the economic arguments—that only a "hard money" system would prevent depressions—and picked out only those issues on which all enemies of the bank could unite. The bank is unconstitutional, he said; its charter grants a monopoly for which the government receives no equivalent; foreigners are favored by the charter and the concentration of wealth and power in America is a necessary consequence of its terms. Only Americans may be directors and, as ownership of stock passes into foreign hands, control of the bank will fall to a small number of native Americans who will be masters of a dangerous monopoly. The veto message was filled, as one of Jackson's recent admirers admits, with "resounding and demagogic language"; but it served its purpose.

As the selections from Biddle's correspondence cast light upon the background of the application for recharter, so Biddle's letter to Clay shows how conservatives received the antimonopoly argument that was so much used by the bank's opponents. It was as an opponent of monopoly that many a seaboard working-

man, for example, supported Jackson in the fight against the bank.

That battle was joined when Jackson vetoed the bill for renewing the charter. Thereafter, the advocates of a United States Bank and the proponents of a divorce between the federal government and banks of issue were engaged in a struggle that did not end until 1841 with the establishment of the Sub-Treasury system, by which the government became the custodian of its own funds and, so far as possible, severed connection with the banks.

Benton's speech is reprinted from the *Register of Debates in Congress* (21st Congress, 2d Session, the Senate). Biddle's letters are from R. C. McGrane, ed., *Correspondence of Nicholas Biddle* (Boston and New York, 1919).

Speech on the Bank of the United States

BY THOMAS HART BENTON

First: Mr. President, I object to the renewal of the charter of the bank of the United States, because I look upon the bank as an institution too great and powerful to be tolerated in a Government of free and equal laws. Its power is that of a purse; a power more potent than that of the sword; and this power it possesses to a degree and extent that will enable this bank to draw to itself too much of the political power of this Union; and too much of the individual property of the citizens of these States. The money power of the bank is both direct and indirect.

The direct power of the bank is now prodigious, and, in the event of the renewal of the charter, must speedily become boundless and uncontrollable. The bank is now authorized to own effects, lands inclusive, to the amount of fifty-five millions of dollars, and to issue notes to the amount of thirty-five millions more. This makes ninety millions; and, in addition to this vast sum, there is an opening for an unlimited increase: for, there is a dispensation in the charter to issue as many more notes as Congress, by law, may permit. This opens the door to boundless emissions; for what can be more unbounded than the will and pleasure of successive Congresses? The indirect power of the bank cannot be stated in figures; but it can be shown to be immense. In the first place, it has the keeping of the public moneys, now amounting to twenty-six millions per annum, (the Post Office Department included,) and the gratuitous use of the undrawn balances, large enough to constitute, in themselves, the capital of a great State bank. In the next place, its promissory notes are receivable, by law, in purchase of all property owned by the United States, and in payment of all debts due them; and this may increase its power to the amount of the annual revenue, by creating a demand for its notes to that amount. In the third place, it wears the name of the United States, and has the Federal Government for a partner; and this name, and this partnership, identifies the credit of the bank with the credit of the Union. In the fourth place, it is armed with authority to disparage and discredit the notes of other banks, by excluding them from all payments to the United States; and this, added to all its other powers, direct and indirect, makes this institution the uncontrollable monarch of the moneyed system of the Union. To whom is all this power granted? To a company of private individuals, many of them foreigners, and the mass of them residing in a remote and narrow corner of the Union, unconnected by any sympathy with the fertile regions of the Great Valley, in which the natural power of this Union—the power of numbers—will be found to reside long before the renewed term of a second charter would expire. By whom is all this power to be exercised? By a directory of seven, (it may be,) governed by a majority, of four, (it may be;) and none of these elected by the people, or responsible to them. Where is it to be exercised? At a single city, distant a thousand miles from some of the States, receiving the produce of none of them (except one;) no interest in the welfare of any of them (except one;) no commerce with the people; with branches in every State; and every branch subject to the secret and absolute orders of the supreme central head: thus constituting a system of centralism, hostile to the federative principle of our Union, encroaching upon the wealth and power of the States, and organized upon a principle to give the highest effect to the greatest power. This mass of power, thus concentrated, thus ramified, and thus directed, must necessarily become, under a prolonged existence, the absolute monopolist of American money, the sole manufacturer of paper

currency, and the sole authority (for authority it will be) to which the Federal Government, the State Governments, the great cities, corporate bodies, merchants, traders, and every private citizen, must, of necessity apply, for every loan which their exigencies may demand. "The rich ruleth the poor, and the borrower is the servant of the lender." Such are the words of holy writ; and if the authority of the Bible admitted of corroboration, the history of the world is at hand to give it. . . .

Secondly. I object to the continuance of this bank, because its tendencies are dangerous and pernicious to the Government and the people.

What are the tendencies of a great moneyed power, connected with the Government, and controlling its fiscal operations? Are they not dangerous to every interest, public and private—political as well as pecuniary? I say they are; and briefly enumerate the heads of each mischief.

1. Such a bank tends to subjugate the Government. . . .

2. It tends to collusions between the Government and the bank in the terms of the loans, as has been fully experienced in England in those frauds upon the people, and insults upon the understanding, called three per cent. loans, in which the Government, for about £50 borrowed, became liable to pay £100.

3. It tends to create public debt, by facilitating public loans, and substituting unlimited supplies of paper, for limited supplies of coin. The British debt is born of the Bank of England. That bank was chartered in 1694, and was nothing more nor less in the beginning than an act of Parliament for the incorporation of a company of subscribers to a Government loan. The loan was £1,200,000; the interest £80,000; and the expenses of management £4,000. And this is the birth and origin, the germ and nucleus of that debt, which is now £900,000,000, (the unfunded items included) which bears an interest of £30,000,000, and costs £260,000 for annual management.

4. It tends to beget and prolong unnecessary wars, by furnishing the means of carrying them on without recurrence to the people. England is the ready example for this calamity. Her wars for the restoration of the Capet Bourbons were kept up by loans and subsidies created out of bank paper. The people of England had no interest in these wars, which cost them about £600,000,000 of debt in twenty-five years, in addition to the supplies raised within the year. The Kings she put back upon the French throne were not able to sit on it. Twice she put them on; twice they tumbled off in the mud; and all that now remains of so much sacrifice of life and money is, the debt, which is eternal, the taxes, which are intolerable, the pensions and titles of some warriors, and the keeping of the Capet Bourbons, who are returned upon their hands.

5. It tends to aggravate the inequality of fortunes; to make the rich richer, and the poor poorer; to multiply nabobs and paupers; and to deepen and widen the gulf which separates Dives from Lazarus. A great moneyed power is favorable to great capitalists; for it is the principle of money to favor money. It is unfavorable to small capitalists; for it is the principle of money to eschew the needy and unfortunate. It is injurious to the laboring classes; because they receive no favors, and have the price of the property they wish to acquire raised to the paper maximum, while wages remain at the silver minimum.

6. It tends to make and to break fortunes, by the flux and reflux of paper. Profuse issues, and sudden contractions perform this operation, which can be repeated, like planetary and pestilential visitations, in every cycle of so many years; at every periodical return, transferring millions from the actual possessors of property to the Neptunes who preside over the flux and reflux of paper. The last operation of this kind performed by the Bank of England, about five years ago, was described by Mr. Alexander Baring, in the House of Commons, in terms which are entitled to the knowledge and remembrance of American citizens. I will read his description, which is brief but impressive. After describing the profuse issues of 1823–24, he painted the re-action in the following terms:

"They, therefore, all at once, gave a sudden jerk to the horse on whose neck they had before suffered the reins to hang loose. They contracted their issues to a considerable extent. The change was at once felt throughout the country. A few days before that, no one knew what to do with his money: now, no one knew where to get it. * * * * * * The London bankers found it necessary to follow the same course towards their country correspondents, and these again towards their customers, and each indivdual towards his debtor. The consequence was obvious, in the late panic. Every one, desirous to obtain what was due to him, ran to his banker, or to any other on whom he had a claim; and even those who had no immediate use for their money, took it back, and let it lie unemployed in their pockets, thinking it unsafe in others' hands. The effect of this alarm was, that houses which were weak went immediately. Then went second rate houses; and, lastly, houses which were solvent went, because their securities were unavailable. The daily calls to

which each individual was subject put it out of his power to assist his neighbor. Men were known to seek for assistance, and, that, too, without finding it, who, on examination of their affairs, were proved to be worth 200,000 pounds,—men, too, who held themselves so secure, that, if asked six months before whether they could contemplate such an event, they would have said it would be impossible, unless the sky should fall, or some other event equally improbable should occur."

This is what was done in England five years ago; it is what may be done here in every five years to come, if the bank charter is renewed. Sole dispenser of money, it cannot omit the oldest and most obvious means of amassing wealth by the flux and reflux of paper. The game will be in its own hands, and the only answer to be given is that to which I have alluded: "The Sultan is too just and merciful to abuse his power."

Thirdly. I object to the renewal of the charter, on account of the exclusive privileges, and anti-republican monopoly, which it gives to the stockholders. It gives, and that by an act of Congress, to a company of individuals, the exclusive legal privileges:

1. To carry on the trade of banking upon the revenue and credit, and in the name, of the United States of America.

2. To pay the revenues of the Union in their own promissory notes.

3. To hold the moneys of the United States in deposit, without making compensation for the undrawn balances.

4. To discredit and disparage the notes of other banks, by excluding them from the collection of the federal revenue.

5. To hold real estate, receive rents, and retain a body of tenantry.

6. To deal in pawns, merchandise, and bills of exchange.

7. To establish branches in the States without their consent.

8. To be exempt from liability on the failure of the bank.

9. To have the United States for a partner.

10. To have foreigners for partners.

11. To be exempt from the regular administration of justice for the violations of their charter.

12. To have all these exclusive privileges secured to them as a monopoly, in a pledge of the public faith not to grant the like privileges to any other company.

These are the privileges and this the monopoly, of the bank. Now, let us examine them, and ascertain their effect and bearing. Let us contemplate the magnitude of the power which they create; and ascertain the compatibility of this power with the safety of this republican Government, and the rights and interests of its free and equal constituents.

1. The name, the credit, and the revenues of the United States, are given up to the use of this company, and constitute in themselves an immense capital to bank upon.—The name of the United States, like that of the King, is a tower of strength; and this strong tower is now an outwork to defend the citadel of a moneyed corporation. The credit of the Union is incalculable; and, of this credit, as going with the name, and being in partnership with the United States, the same corporation now has possession. The revenues of the Union are twenty-six millions of dollars, including the Post Office; and all this is so much capital in the hands of the bank, because the revenue is received by it, and is payable in its promissory notes.

2. To pay the revenues of the United States in their own notes, until Congress, by law, shall otherwise direct.—This is a part of the charter, incredible and extraordinary as it may appear. The promissory notes of the bank are to be received in payment of every thing the United States may have to sell—in discharge of every debt due to her, until Congress, by law, shall otherwise direct; so that, if this bank, like its prototype in England, should stop payment, its promissory notes would still be receivable at every custom house, land office, post office, and by every collector of public moneys, throughout the Union, until Congress shall meet, pass a repealing law, and promulgate the repeal. Other banks depend upon their credit for the receivability of their notes; but this favored institution has law on its side, and a chartered right to compel the reception of its paper by the Federal Government. The immediate consequence of this extraordinary privilege is, that the United States becomes virtually bound to stand security for the bank, as much so as if she had signed a bond to that effect; and must stand forward to sustain the institution in all emergencies, in order to save her own revenue. This is what has already happened, some ten years ago, in the early progress of the bank, and when the immense aid given it by the Federal Government enabled it to survive the crisis of its own overwhelming mismanagement.

3. To hold the moneys of the United States in deposit without making compensation for the use of the undrawn balances.—This is a right which I deny; but, as the bank claims it, and, what is more material, enjoys it; and as the people of the United States have suffered to a vast extent in

consequence of this claim and enjoyment, I shall not hesitate to set it down to the account of the bank. . . .

See, Mr. President, what masses of money, and always on hand. The paper is covered all over with millions: and yet, for all these vast sums, no interest is allowed; no compensation is made to the United States. The Bank of England, for the undrawn balances of the public money, has made an equitable compensation to the British Government; namely, a permanent loan of half a million sterling, and a temporary loan of three millions for twenty years, without interest. Yet, when I moved for a like compensation to the United States, the proposition was utterly rejected by the Finance Committee, and treated as an attempt to violate the charter of the bank. At the same time it is incontestable, that the United States have been borrowing these undrawn balances from the bank, and paying an interest upon their own money. . . .

4. To discredit and disparage the notes of all other banks, by excluding them from the collection of the federal revenue.—This results from the collection—no, not the collection, but the receipt of the revenue having been committed to the bank, and along with it the virtual execution of the joint resolution of 1816, to regulate the collection of the federal revenue. The execution of that resolution was intended to be vested in the Secretary of the Treasury—a disinterested arbiter between rival banks; but it may be considered as virtually devolved upon the Bank of the United States, and powerfully increases the capacity of that institution to destroy, or subjugate, all other banks. The notes of the State banks excluded from revenue payments, are discredited and disparaged, and fall into the hands of brokers at all places where they are not issued and payable. They cease to circulate at all the points to which the exclusion extends. I am informed that the notes of the banks south of the Potomac and Ohio, even those of the lower Mississippi, are generally refused at the United States' Branch Bank in St. Louis, and, in consequence, are expelled from circulation in Missouri and Illinois, and the neighboring districts. This exclusion of the Southern notes from the northwest quarter of the Union, is injurious to both parties, as our travellers and emigrants chiefly come from the South, and the whole of our trade goes there to find a cash market. The exclusion, as I am told, (for I have not looked into the matter myself,) is general, and extends to the banks in Virginia, the two Carolinas, Georgia, Alabama, Mississippi, and Louisiana. If this be the fact, the joint resolution of 1816 is violated: for, under the terms of that resolution, there are several banks in each of the States mentioned whose notes are receivable in the collection of federal revenue; that is to say, specie paying banks whose notes are payable, and paid, in specie, on demand. Yet, in consequence of exclusion from the United States' Branch Bank, they are excluded from all the land offices, eleven in number, which deposit in that branch; and, being excluded from the land offices, they cease to be current money among the people. If a traveller, or emigrant, brings these notes to the country, or receives them in remittance; if a trader accepts them in exchange for produce, they are "*shaved*" out of their hands, and sent out of the country. This is a pecuniary injury done to the Northwest; it may be more—it may be a political injury also; for it contributes to break the communication between the two quarters of the Union, and encourages the idea that nothing good can come from the South—not even money! This power to disparage the notes of all other banks, is a power to injure them; and, added to all the other privileges of the Bank of the United States, is a power to destroy them! If any one doubts this assertion, let him read the answers of the President of the bank to the questions put to him by the Chairman of the Finance Committee. These answers are appended to the committee's report of the last session in favor of the bank, and expressly declare the capacity of the federal bank to destroy the State banks. The worthy Chairman [Mr. SMITH, of Md.] puts this question: "Has the bank at any time oppressed any of the State banks?" The President, [Mr. Biddle,] answers, as the whole world would answer to a question of oppression, that it never had; and this response was as much as the interrogatory required. But it did not content the President of the bank; he chose to go further, and to do honor to the institution over which he presided, by showing that it was as just and generous as it was rich and powerful. He, therefore, adds the following words, for which, as a seeker after evidence, to show the alarming and dangerous character of the bank, I return him my unfeigned and pardonable thanks: "There are very few banks which might not have been destroyed by an exertion of the power of the bank."

This is enough! proof enough! not for me alone, but for all who are unwilling to see a moneyed domination set up—a moneyed oligarchy established in this land, and the entire Union subjected to its sovereign will. The power to destroy all other banks is admitted and declared; the inclination to do so is known to all rational beings to reside with the power! Policy may restrain the

destroying faculties for the present; but they exist; and will come forth when interest prompts and policy permits. They have been exercised; and the general prostration of the Southern and Western banks attests the fact. They will be exercised, (the charter being renewed,) and the remaining State banks will be swept with the besom of destruction. Not that all will have their signs knocked down, and their doors closed up. Far worse than that to many of them. Subjugation, in preference to destruction, will be the fate of many. Every planet must have its satellites; every tyranny must have its instruments; every knight is followed by his squire; even the king of beasts, the royal quadruped, whose roar subdues the forest, must have a small, subservient animal to spring his prey. Just so of this imperial bank, when installed anew in its formidable and lasting power. The State banks, spared by the sword, will be passed under the yoke. They will become subordinate parts in the great machine. Their place, in the scale of subordination will be one degree below the rank of the legitimate branches; their business, to perform the work which it would be too disreputable for the legitimate branches to perform. This will be the fate of the State banks which are allowed to keep up their signs, and to set open their doors; and thus the entire moneyed power of the Union would fall into the hands of one single institution, whose inexorable and invisible mandates, emanating from a centre, would pervade the Union, giving or withholding money according to its own sovereign will and absolute pleasure. To a favored State, to an individual, or a class of individuals, favored by the central power, the golden stream of Pactolus would flow direct. To all such the munificent mandates of the High Directory would come, as the fabled god made his terrestrial visit of love and desire, enveloped in a shower of gold. But to others—to those not favored—and to those hated—the mandates of this same directory would be as "the planetary plague which hangs its poison in the sick air:" death to them! death to all who minister to their wants! What a state of things! What a condition for a confederacy of States! What grounds for alarm and terrible apprehension, when, in a confederacy of such vast extent, so many independent States, so many rival commercial cities, so much sectional jealousy, such violent political parties, such fierce contests for power, there should be but one moneyed tribunal before which all the rival and contending elements must appear! but one single dispenser of money, to which every citizen, every trader, every merchant, every manufacturer, every planter, every corporation, every city, every State, and the Federal Government itself, must apply, in every emergency, for the most indispensable loan! and this, in the face of the fact, that, in every contest for human rights, the great moneyed institutions of the world have uniformly been found on the side of kings and nobles, against the lives and liberties of the people.

5. To hold real estate, receive rents, and retain a body of tenantry.—This privilege is hostile to the nature of our republican Government, and inconsistent with the nature and design of a banking institution. Republics want freeholders, not landlords and tenants; and, except the corporators in this bank, and in the British East India Company, there is not an incorporated body of landlords in any country upon the face of the earth whose laws emanate from a legislative body. Banks are instituted to promote trade and industry, and to aid the Government and its citizens with loans of money. The whole argument in favor of banking—every argument in favor of this bank—rests upon that idea. No one, when this charter was granted, presumed to speak in favor of incorporating a society of landlords, especially foreign landlords, to buy lands, build houses, rent tenements, and retain tenantry. Loans of money was the object in view, and the purchase of real estate is incompatible with that object. Instead of remaining bankers, the corporators may turn land speculators: instead of having money to lend, they may turn you out tenants to vote. To an application for a loan, they may answer, and answer truly, that they have no money on hand; and the reason may be, that they have laid it out in land. This seems to be the case at present. A committee of the Legislature of Pennsylvania has just applied for a loan; the President of the bank, nothing loth to make a loan to that great State, for twenty years longer than the charter has to exist, expresses his regret that he cannot lend but a limited and inadequate sum. The funds of the institution, he says, will not permit it to advance more than eight millions of dollars. And why? because it has invested three millions in real estate! To this power to hold real estate, is superadded the means to acquire it. The bank is now the greatest moneyed power in the Union; in the event of the renewal of its charter, it will soon be the sole one. Sole dispenser of money, it will soon be the chief owner of property. To unlimited means of acquisition, would be united perpetuity of tenure; for a corporation never dies, and is free from the operation of the laws which govern the descent and distribution of real estate in the hands of individuals. The limitations in the charter are vain and illusory. They insult the understanding, and mock the credulity

of foolish believers. The bank is first limited to such acquisitions of real estate as are necessary to its own accommodation; then comes a proviso to undo the limitation, so far as it concerns purchases upon its own mortgages and executions! This is the limitation upon the capacity of such an institution to acquire real estate. As if it had any thing to do but to make loans upon mortgages, and push executions upon judgments! Having all the money, it would be the sole lender; mortgages being the road to loans, all borrowers must travel that road. When birds enough are in the net, the fowler draws his string, and the heads are wrung off. So when mortgages enough are taken, the loans are called in; discounts cease; curtailments are made; failures to pay ensue; writs issue; judgments and executions follow; all the mortgaged premises are for sale at once; and the attorney of the bank appears at the elbow of the marshal, sole bidder, and sole purchaser.

What is the legal effect of this vast capacity to acquire, and this legal power to retain, real estate? Is it not the creation of a new species of mortmain? And of a kind more odious and dangerous than that mortmain of the church which it baffled the English Parliament so many ages to abolish. The mortmain of the church was a power in an ecclesiastical corporation to hold real estate, independent of the laws of distribution and descent: the mortmain of the bank is a power in a lay corporation to do the same thing. The evil of the two tenures is identical; the difference between the two corporations is no more than the difference between parsons and money changers; the capacity to do mischief incomparably the greatest on the part of the lay corporators. The church could only operate upon the few who were thinking of the other world; the bank, upon all who are immersed in the business or the pleasures of this. The means of the church were nothing but prayers; the means of the bank is money! The church received what it could beg from dying sinners; the bank may extort what it pleases from the whole living generation of the just and unjust. Such is the parallel between the mortmain of the two corporations. They both end in monopoly of estates, and perpetuity of succession; and the bank is the greatest monopolizer of the two. Monopolies and perpetual succession are the bane of republics. Our ancestors took care to provide against them, by abolishing entails and primogeniture. Even the glebes of the church, lean and few as they were in most of the States, fell under the republican principle of limited tenures. All the States abolished the anti-republican tenures; but Congress re-establishes them, and in a manner more dangerous and offensive than before the revolution. They are now given, not generally, but to few; not to natives only, but to foreigners also; for foreigners are large owners of this bank. And thus, the principles of the revolution sink before the privileges of an incorporated company. The laws of the States fall before the mandates of a central directory in Philadelphia. Foreigners become the landlords of free born Americans; and the young and flourishing towns of the United States are verging to the fate of the family boroughs which belong to the great aristocracy of England.

Let no one say the bank will not avail itself of its capacity to amass real estate. The fact is, it has already done so. I know towns, yea, cities, and could name them, if it might not seem invidious from this elevated theatre to make a public reference to their misfortunes, in which this bank already appears as a dominant and engrossing proprietor. I have been in places where the answers to inquiries for the owners of the most valuable tenements, would remind you of the answers given by the Egyptians to similar questions from the French officers, on their march to Cairo. You recollect, no doubt, sir, the dialogue to which I allude: "Who owns that palace?" "The Mameluke;" "Who this country house?" "The Mameluke;" "These gardens?" "The Mameluke;" "That field covered with rice?" "The Mameluke." —And thus have I been answered, in the towns and cities referred to, with the single exception of the name of the Bank of the United States substituted for that of the military scourge of Egypt. If this is done under the first charter, what may not be expected under the second? If this is done while the bank is on its best behavior, what may she not do when freed from all restraint and delivered up to the boundless cupidity and remorseles exactions of a moneyed corporation?

6. To deal in pawns, merchandise, and bills of exchange.—I hope the Senate will not require me to read dry passages from the charter to prove what I say. I know I speak a thing nearly incredible when I allege that this bank, in addition to all its other attributes, is an incorporated company of pawnbrokers! The allegation staggers belief, but a reference to the charter will dispel incredulity. The charter, in the first part, forbids a traffic in merchandise; in the after part, permits it. For truly this instrument seems to have been framed upon the principles of contraries; one principle making limitations, and the other following after with provisoes to undo them. Thus is it with lands, as I have just shown; thus is it with merchandise, as I now show. The bank is forbidden to deal in merchandise—proviso, unless in the case of goods

pledged for money lent, and not redeemed to the day; and, proviso, again, unless for goods which shall be the proceeds of its lands. With the help of these two provisoes, it is clear that the limitation is undone; it is clear that the bank is at liberty to act the pawnbroker and merchant, to any extent that it pleases. It may say to all the merchants who want loans, Pledge your stores, gentlemen! They must do it, or do worse; and, if any accident prevents redemption on the day, the pawn is forfeited, and the bank takes possession. On the other hand, it may lay out its rents for goods; it may sell its real estate, now worth three millions of dollars, for goods. Thus the bank is an incorporated company of pawnbrokers and merchants, as well as an incorporation of landlords and land-speculators; and this derogatory privilege, like the others, is copied from the old Bank of England charter of 1694. Bills of exchange are also subjected to the traffic of this bank. It is a traffic unconnected with the trade of banking, dangerous for a great bank to hold, and now operating most injuriously in the South and West. It is the process which drains these quarters of the Union of their gold and silver, and stifles the growth of a fair commerce in the products of the country. The merchants, to make remittances, buy bills of exchange from the branch banks, instead of buying produce from the farmers. The bills are paid for in gold and silver; and, eventually, the gold and silver are sent to the mother bank, or to the branches in the Eastern cities, either to meet these bills, or to replenish their coffers, and to furnish vast loans to favorite States or individuals. The bills sell cheap, say a fraction of one per cent.; they are, therefore, a good remittance to the merchant. To the bank the operation is doubly good; for even the half of one per cent. on bills of exchange is a great profit to the institution which monopolizes that business, while the collection and delivery to the branches of all the hard money in the country is a still more considerable advantage. Under this system, the best of the Western banks—I do not speak of those which had no foundations, and sunk under the weight of neighborhood opinion—but those which deserved favor and confidence, sunk ten years ago. Under this system, the entire West is now undergoing a silent, general, and invisible drain of its hard money; and, if not quickly arrested, these States will soon be, so far as the precious metals are concerned, no more than the empty skin of an immolated victim.

7. To establish branches in the different States without their consent, and in defiance of their resistance.—No one can deny the degrading and injurious tendency of this privilege. It derogates from the sovereignty of a State; tramples upon her laws; injures her revenue and commerce; lays open her Government to the attacks of centralism; impairs the property of her citizens; and fastens a vampire on her bosom to suck out her gold and silver. 1. It derogates from her sovereignty, because the central institution may impose its intrusive branches upon the State without her consent, and in defiance of her resistance. This has already been done. The State of Alabama, but four years ago, by a resolve of her Legislature, remonstrated against the intrusion of a branch upon her. She protested against the favor. Was the will of the State respected? On the contrary, was not a branch instantaneously forced upon her, as if, by the suddenness of the action, to make a striking and conspicuous display of the omnipotence of the bank, and the nullity of the State? 2. It tramples upon her laws; because, according to the decision of the Supreme Court, the bank and all its branches are wholly independent of State legislation; and it tramples on them again, because it authorizes foreigners to hold lands and tenements in every State, contrary to the laws of many of them; and because it admits of the *mortmain* tenure, which is condemned by all the republican States in the Union. 3. It injures her revenue, because the bank stock, under the decision of the Supreme Court, is not liable to taxation. And thus, foreigners, and non-resident Americans, who monopolize the money of the State, who hold its best lands and town lots, who meddle in its elections, and suck out its gold and silver, and perform no military duty, are exempted from paying taxes, in proportion to their wealth, for the support of the State whose laws they trample upon, and whose benefits they usurp. 4. It subjects the State to the dangerous manœuvres and intrigues of centralism, by means of the tenants, debtors, bank officers, and bank money, which the central directory retain in the State, and may embody and direct against it in its elections, and in its legislative and judicial proceedings. 5. It tends to impair the property of the citizens, and, in some instances, that of the States, by destroying the State banks in which they have invested their money. 6. It is injurious to the commerce of the States, (I speak of the Western States,) by substituting a trade in bills of exchange, for a trade in the products of the country. 7. It fastens a vampire on the bosom of the State, to suck away its gold and silver, and to co-operate with the course of trade, of federal legislation, and of exchange, in draining the South and West of all their hard money. The Southern States, with their thirty millions of annual exports in cotton, rice, and tobacco, and the Western

States, with their twelve millions of provisions and tobacco exported from New Orleans, and five millions consumed in the South, and on the lower Mississippi,—that is to say, with three-fifths of the marketable productions of the Union, are not able to sustain thirty specie paying banks; while the minority of the States north of the Potomac, without any of the great staples for export, have above four hundred of such banks. These States, without rice, without cotton, without tobacco, without sugar, and with less flour and provisions, to export, are saturated with gold and silver, while the Southern and Western States, with all the real sources of wealth, are in a state of the utmost destitution. For this calamitous reversal of the natural order of things, the Bank of the United States stands forth pre-eminently culpable. Yes, it is pre-eminently culpable! and a statement in the National Intelligencer of this morning, (a paper which would overstate no fact to the prejudice of the bank,) cites and proclaims the fact which proves this culpability. It dwells, and exults, on the quantity of gold and silver in the vaults of the United States' Bank. It declares that institution to be "overburdened" with gold and silver; and well may it be so overburthened, since it has lifted the load entirely from the South and West. It calls these metals "a drug" in the hands of the bank; that is to say, an article for which no purchaser can be found. Let this "drug," like the treasures of the dethroned Dey of Algiers, be released from the dominion of its keeper; let a part go back to the South and West, and the bank will no longer complain of repletion, nor they of depletion.

8. Exemption of the stockholders from individual liability on the failure of the bank. This privilege derogates from the common law, is contrary to the principle of partnerships, and injurious to the rights of the community. It is a peculiar privilege granted by law to these corporators, and exempting them from liability, except in their corporate capacity, and to the amount of the assets of the corporation. Unhappily, these assets are never *assez*, that is to say, enough, when occasion comes for recurring to them. When a bank fails, its assets are always less than its debits; so that responsibility fails the instant that liability accrues. Let no one say that the Bank of the United States is too great to fail. One greater than it, and its prototype, has failed, and that in our own day, and for twenty years at a time: the Bank of England failed in 1797, and the Bank of the United States was on the point of failing in 1819. The same cause, namely, stockjobbing and overtrading, carried both to the brink of destruction; the same means saved both, namely, the name, the credit, and the helping hand of the Governments which protected them. Yes, the Bank of the United States may fail; and its stockholders live in splendor upon the princely estates acquired with its notes, while the industrious classes, who hold these notes, will be unable to receive a shilling for them. This is unjust. It is a vice in the charter. The true principle in banking requires each stockholder to be liable to the amount of his shares; and subjects him to the summary action of every holder on the failure of the institution, till he has paid up the amount of his subscription. This is the true principle. It has prevailed in Scotland for the last century, and no such thing as a broken bank has been known there in all that time.

9. To have the United States for a partner. Sir, there is one consequence, one result of all partnerships between a Government and individuals, which should of itself, and in a mere mercantile point of view, condemn this association on the part of the Federal Government. It is the principle which puts the strong partner forward to bear the burthen whenever the concern is in danger. The weaker members flock to the strong partner at the approach of the storm, and the necessity of venturing more to save what he has already staked, leaves him no alternative. He becomes the Atlas of the firm, and bears all upon his own shoulders. This is the principle: what is the fact? Why, that the United States has already been compelled to sustain the federal bank; to prop it with her revenues and its credit in the trials and crisis of its early administration. I pass over other instances of the damage suffered by the United States on account of this partnership; the immense standing deposites for which we receive no compensation; the loan of five millions of our own money, for which we have paid a million and a half in interest; the five per cent. stock note, on which we have paid our partners four million seven hundred and twenty-five thousand dollars in interest; the loss of ten millions on the three per cent. stock, and the ridiculous catastrophe of the miserable *bonus*, which has been paid to us with a fraction of our own money: I pass over all this, and come to the point of a direct loss, as a partner, in the dividends upon the stock itself. Upon this naked point of profit and loss, to be decided by a rule in arithmetic, we have sustained a direct and heavy loss. The stock held by the United States, as every body knows, was subscribed, not paid. It was a stock note, deposited for seven millions of dollars, bearing an interest of five per cent. The inducement to this subscription was the seductive

conception that, by paying five per cent. on its note, the United States would clear four or five per cent. in getting a dividend of eight or ten. This was the inducement; now for the realization of this fine conception. Let us see it. Here it is: an official return from the Register of the Treasury of interest paid, and of dividends received. The account stands thus:

Interest paid by the United States,	$4,725,000
Dividends received by the United States,	4,629,426
Loss to the United States,	95,574

Disadvantageous as this partnership must be to the United States in a moneyed point of view, there is a far more grave and serious aspect under which to view it. It is the political aspect, resulting from the union between the bank and the Government. This union has been tried in England, and has been found there to be just as disastrous a conjunction as the union of church and State. It is the conjunction of the lender and the borrower, and holy writ has told us which of these categories will be master of the other. But suppose they agree to drop rivalry, and unite their resources. Suppose they combine, and make a push for political power: how great is the mischief which they may not accomplish! . . . .

The Correspondence of Nicholas Biddle

To Samuel Smith

Phil[a] Jany 4. 1832

My dear Sir,

You will hear, I am afraid with regret, tho' not with surprise, that we have determined on applying to the present Congress for a renewal of the Charter of the Bank & that a memorial for that purpose will be forwarded tomorrow or the next day. To this course I have made up my mind after great reflection & with the clearest convictions of its propriety. The reasons I will briefly explain. 1. The Stockholders have devolved upon the Directors the discretion of choosing the time of making the application. If we should omit a favorable opportunity we would commit an irreparable error, & would be permanently reproached with it by the Stockholders. Now these Stockholders are entirely unanimous in their opinions and in a case of such grave responsibility their wishes are entitled to great consideration. Unless therefore there should be some very strong reason against it, the application should be made. 2. Independent however of this, I believe That this is the proper time. The Charter will expire in March 1836—Unless the present Congress acts upon it, we must wait 'till the Congress of December 1833, & could not expect from them any decision before after March 1834 which would bring the Bank within two years or 18 months of the expiration of its charter. Now whether the institution is to be continued or destroyed that time is too short. Until the question is settled every thing will be uncertain. No man can look ahead in either public or private affairs as to the state of the currency & there will be constant anxiety about our whole monied system. The Bank too ought to know its fate so as to close its affairs without inflicting deep & dangerous wounds upon the community by sudden shocks & changes. I believe therefore that this is the best time for settling the question. If the Bank is to be continued the country ought to know it soon. If the Bank is to be destroyed the Bank & the country ought both to know it soon.

The only objection I have heard to it, is, as far as I understand, this: that in about a year hence there is to be an election for a President of the U.S.—and if the application is now made, the gentleman who is now President will take it amiss & negative the bill—while if the Bank will refrain from applying until after his election is secured, he will probably be permitted to abstain from negativing it. This seems to embrace the whole case— Let us look at it. In the first place then, neither I nor any of my associates have any thing whatever to do with the President or his election. I know nothing about it & care nothing about it. The Bank has never had any concern in elections —it will not have any now. To abstain from anything which it would otherwise do, on account of an election, is just as bad as doing anything on account of an election. Both are equal violations of its neutrality. There are many politicians who want to bring it on because it would benefit their side. There are many other politicians who want to put it off because that would benefit their side. Hitherto they have been urged to bring it before the last Congress in hopes that it would injure the present incumbent—now they are urged to postpone it because postponement would benefit him. The Bank cares not whether he is benefited or injured. It takes its own time & its own way.

In the next place what appears to me I confess wholly inexplicable is why the friends of the present incumbent who are also friends of the Bank, if

they think the Bank question likely to injure the President, do not at once take the question out of the hands of their adversaries. If the President's friends were to come forward & settle the Bank question before the election comes on, they would disarm their antagonists of their most powerful weapon. I am very ignorant of party tactics, & am probably too much biased to be a fit judge in this case, but such a course has always seemed to me so obvious that I have never been able to comprehend why it was not adopted.

But again what is the reason for supposing that the present incumbent will be offended by bringing it forward now? What possible right has he to be offended? What too has he meant by all these annual messages—declaring in 1829 that he could not "too soon present it" to Congress—repeating the same thing in 1830—and reiterating it in 1831. Was this all a mere pretence? that the moment the Bank accepts his own invitation he is to be offended by being taken at his word.

But moreover he is to negative the bill. That is to say, he will agree to the bill hereafter, but because he thinks it will interfere with his election he will negative it now. Truly this is a compliment which I trust he does not deserve from his friends, for even I who do not feel the slightest interest in him would be sorry to ascribe to a President of the United States a course much fitter for a humble demagogue than the Chief Magistrate of a great country. He will sign a bill, which of course he must think a good one, when his election is over—but he will not sign this bill, which he thinks a good one,—if it is likely to take votes from him at an election. And after all, what security is there that when his election is over, he will not negative the bill? I see none. On the contrary I am satisfied that he would be ten times more disposed to negative it then than now. Now he has at least some check in public opinion—some in the counsels of those around him—then he will have neither. And now, my dear Sir, I have tired myself as I have certainly you with these opinions which you think very erroneous & very disrespectful perhaps to the President. But I wanted to explain precisely the course of thinking which has brought me to my present conclusion. The only regret which accompanies it is that it has not the concurrence of Mr McLane & yourself to whom the Bank as well as myself personally owe much for the manner in which you have both sustained the institution. I cannot express to you how much I am concerned at not being able to adopt the suggestions of Mr McLane who has behaved so handsomely in this matter. But we must each in our respective spheres of duty follow our own convictions with mutual regret but still with mutual respect.

To you I always looked forward as a friend & advocate of the Bank whenever the question of its renewal was agitated. I shall be very sorry on many accounts that from a difference of opinion in regard to time you will be constrained to with hold your aid—but I assure you it will abate none of the regard for you—& the fullness of these explanations will I hope satisfy you of my anxiety to State to you frankly & distinctly the motives which lead me to a conclusion, differing I believe for the first time—from Your's on the Subject of the Bank.

To Charles Jared Ingersoll

Phil[a] Feb[y] 11. 1832

My dear Sir,

. . . Here am I, who have taken a fancy to this Bank & having built it up with infinite care am striving to keep it from being destroyed to the infinite wrong as I most sincerely & conscientiously believe of the whole country. To me all other considerations are insignificant—I mean to stand by it & defend it with all the small faculties which Providence has assigned to me. I care for no party in politics or religion—have no sympathy with Mr Jackson or Mr Clay or Mr Wirt or Mr Calhoun or Mr Ellmaker or Mr Van Buren. I am for the Bank & the Bank alone. Well then, here comes Mr Jackson who takes it into his head to declare that the Bank had failed & that it ought to be superceded by some ricketty machinery of his own contrivance. Mr Jackson being the President of the U.S. whose situation might make his ignorance mischievous, we set to work to disenchant the country of their foolery & we have so well succeeded that I will venture to say that there is no man, no woman, & no child in the U.S. who does not understand that the worthy President was in a great error. . . .

It remains to see how its evil consequences may be averted. It seems to me there is no one course by which his friends may extricate him not merely safely but triumphantly. He has made the Bank a Power. He has made the Bank a deciding question as to his own selection. Now let him turn this power to his own advantage. As yet the Bank is entirely uncommitted—the Bank is neither for him nor against him. In this state let his friends come forward boldly, & taking the Bank out of the hands of their enemies, conciliate back the honest friends whom their rashness has alienated, and who think that the only difficulty which he has yet to overcome is the dread of their internal convulsion to which the prostration of the Bank

will lead. The most extraordinary part of the whole matter is that the President & the Bank do not disagree in the least about the modifications he desires. He wishes some changes—The Bank agrees to them—and yet from some punctilio which is positively puerile his rash friends wish him to postpone it. Do they not perceive that his enemies are most anxious to place him in opposition to the Bank? And should not every motive of prudence induce him to disappoint their calculations? The true & obvious theory seems to me to disarm the antagonists of their strongest weapon—to assume credit for settling this question for the administration. If the present measure fails, it carries bitterness into the ranks of the best part of the opposition. If it succeeds without the administration it displays their weakness. If the bill passes & the President negatives it, I will not say that it will destroy him—but I certainly think it will & moreover I think it ought to. I can imagine no question which seems more exclusively for the representatives of the people than the manner in which they choose to keep & to manage the money of the people.

. . . I suppose the President has been made to believe that the Bank is busy in hostility to him—you know how wholly unfounded this is. For myself I do not care a straw for him or his rivals—I covet neither his man servant—nor even his maid servant, his ox nor any of his asses. Long may he live to enjoy all possible blessings, but if he means to wage war upon the Bank—if he pursues us till we turn & stand at bay, why then—he may perhaps awaken a spirit which has hitherto been checked & reined in—and which it is wisest not to force into offensive defence.

To Henry Clay
(*private*)

Phil[a] August 1st 1832

My dear Sir

You ask what is the effect of the Veto. My impression is that it is working as well as the friends of the Bank and of the country could desire. I have always deplored making the Bank a party question, but since the President will have it so, he must pay the penalty of his own rashness. As to the Veto message I am delighted with it. It has all the fury of a chained panther biting the bars of his cage. It is really a manifesto of anarchy—such as Marat or Robespierre might have issued to the mob of the faubourg St Antoine: and my hope is that it will contribute to relieve the country from the dominion of these miserable people. You are destined to be the instrument of that deliverance, and at no period of your life has the country ever had a deeper stake in you. I wish you success most cordially, because I believe the institutions of the Union are involved in it.

THE DEPRESSION OF 1837–1843

In spite of all the efforts of conservative men, Andrew Jackson was reelected President in 1832. While the House passed a resolution declaring the Federal government's money safe in the custody of the Bank of the United States, Jackson determined to withdraw the government deposits though he had to reshuffle his entire Cabinet to make his policy and his Secretary of the Treasury agree. The removal of deposits from the Bank of the United States to selected state banks was made, despite the Senate's declaration that it was an arbitrary exercise of power. The bank called in its loans and contracted its credits after the removal of the deposits; but though petitions against the government's action poured into Congress and some stringency was felt in the money market, the new depositories expanded their loans and borrowers found credit easy.

As state bank loans expanded on the base of government deposits plus portions of the Treasury surplus which had been put into the custody of the several states, borrowing increased during 1834 and 1835. Great stretches of the public lands were sold, not for specie but for the banknotes that were issued on the basis of the new resources. The public domain was being exchanged for paper. Senator Benton feared this would strengthen the speculating element in Congress to the point that his own favorite project of lowering and adjusting the price of public land never would become law. His opinion was confirmed by the Senate's rejection of his resolution making specie, not bank paper, the medium of payment for public lands. The public domain seemed doomed as the session closed; speculators were redoubling their activity. "But

there was a remedy in reserve for the cure of the evil which they had not foreseen, and which was applied the moment that Congress was gone. Jackson was still President! and he had the nerve which the occasion required. He saw the public lands fleeting away—saw that Congress would not interfere—and knew the majority of the Cabinet to be against his interference. He did as he had often done in councils of war—called the council together to hear a decision. He summoned his cabinet—laid the case before them—heard the majority of adverse opinions:—and directed the order to issue. His private Secretary, Mr. Donelson, was directed to prepare a draught of the order. The author of this View was all the while in the office of this private Secretary. Mr. Donelson came to him, with the President's decision, and requested him to draw up the order. It was done—the rough draught carried back to the council—put into official form—signed—issued. . . . The disappointed speculators raged. Congress was considered insulted, the cabinet defied, the banks disgraced." Thus Senator Benton in his *Thirty Years' View.*

This is the background of the Specie Circular of July, 1836. Biddle regarded it as an outrageous usurpation of power, as can be seen in his *Letters to John Quincy Adams*, in which he justified the Bank of the United States for suspending specie payments. Though the Specie Circular was rescinded in 1838, it snapped a money market already strained to the breaking point. The demand for specie at the land offices forced local banks to curtail their loans just as the seaboard banks were forced to contract theirs by the resolution which ordered the turning over of the Treasury surplus to the states. Thus the Eastern banks were subject to a double drain at a time when their Western debtors could get no loans because of Jackson's "act of gratuitous oppression."

So Nicholas Biddle, as the Panic of 1837 pricked the bubble of an inflation in land values, urban and rural. Benton, for the other side, insisted that it was not the Specie Circular but the "bloat in the paper system" which had caused the collapse. He had been regarded as "a little exalted in the head" because he kept warning public and politicians of the dangers latent in the increase of an inconvertible paper currency, but few had listened seriously in the early thirties. The result was, banks multiplied, merchants bought on credit, states borrowed money for internal improvements, and the bubble of credit swelled until it burst. With considerable help (according to Benton) from Nicholas Biddle, who contracted his loans and suspended specie payments "to coerce the government into submission to the Bank of the United States and its confederate politicians."

Biddle seemed victor, though, even if the New York banks had resumed specie payment in 1838; the Bank of the United States was flourishing under a Pennsylvania charter; the Specie Circular was rescinded and the United States government was using the bank as an agent to discount the French government's warrants for payment of damages to United States commerce during the Napoleonic Wars. That triumph increased Biddle's confidence to the point where he attempted to restore the country's balance of trade by elaborate dealings in the cotton market and by the sale of American securities abroad. Biddle lent money to American cotton planters and had them assign their crops to an agency in Liverpool which was controlled by a member of his family. The cotton agency drew upon the financial agent Biddle had set up in London. Since British spinners were prosperous, the demand for cotton continued brisk and Biddle's corner in the fiber provided the British balances that paid for American imports. American credit was good in 1838–1839; and American securities sold well because the British financial community had confidence in Biddle and in the presumed soundness of state finances.

In 1839, Biddle's system collapsed. With it, went the inflated structure of cotton prices and American credit abroad. Harvests had been poor in Europe, the demand for British cotton yarn declined and that lessened British need for American cotton. Biddle's (Pennsylvania)

Bank of the United States suspended specie payments again in October, 1839, and failed entirely two years later.

The full shock of depression and unfavorable trade balances struck the United States with renewed force. British readiness to extend credit ceased with the contraction in the London money market; American bonds did not sell. British financial interests attempted to increase confidence by urging American politicians to work for an assumption or, at least, a guarantee of state debts by the Federal government. Benton attacked the scheme and secured the passage of a Senate resolution disclaiming federal responsibility, and the only factor which prevented the question from becoming an issue in the Presidential campaign of 1840 was the Whigs' wisdom in choosing a candidate who had no ascertainable views on any public issue.

The following year, many states defaulted interest payments on their public debts, among them Pennsylvania, which is the object of Sydney Smith's acid attack. Smith (1771–1845) was not particularly anti-American, but the refusal of Pennsylvania to tax herself to maintain interest payments on her bonds roused him to violent protest. A bitter controversy followed.

The British financial community attempted more practical measures. British bankers boycotted the United States Treasury agent who tried to float a loan in 1842. When New York interests provided the Treasury with funds, coercion was dropped in favor of lobbying. Ultimately, all the defaulting states renewed their interest payments; however, three states, Mississippi, Michigan, and Florida, repudiated their debts in whole or in part.

The Preemption Act of 1841 helped puncture the last hope for federal aid to the holders of the defaulting states' bonds. Though the law did declare that the proceeds of public land sales be divided among the states as a fund for internal improvements, this provision was contingent on import duties remaining at 20 percent. Since the Treasury surplus, which had made the bill possible, disappeared under pressure and the tariff interests remained strong, the only sections of the law retaining vitality were those providing that the squatters on unsurveyed public land were to be permitted to purchase their quarter sections at the minimum price when that land should be surveyed and offered for sale. Earlier, preemption had been a privilege granted to settlers on a specific tract; by the law of 1841, however, it became an acknowledged right.

The Specie Circular is reprinted from *The American State Papers: Public Land Series*, Vol. VIII (Washington, 1861). Biddle's letter to Adams is reprinted from *Two Letters Addressed to the Hon. J. Quincy Adams* (London, 1837). Sidney Smith's letter is reprinted from his *Letters on American Debts* (New York, 1844).

The Specie Circular of 1836

In consequence of complaints which have been made of frauds, speculations, and monopolies, in the purchase of the public lands, and the aid which is said to be given to effect these objects by excessive bank credits, and dangerous if not partial facilities, through bank drafts and bank deposites, and the general evil influence likely to result to the public interests, and especially the safety of the great amount of money in the Treasury, and the sound condition of the currency of the country, from the further exchange of the national domain in this manner, and chiefly for bank credits and paper money, the President of the United States has given directions, and you are hereby instructed, after the 15th day of August next, to receive in payment of the public lands nothing except what is directed by the existing laws, viz.: gold and silver, and in the proper cases, Virginia land scrip; provided that, till the 15th of December next, the same indulgences heretofore extended as to the kind of money received, may be continued for any quantity of land not exceeding 320 acres to each purchaser who is an actual settler, or bonafide resident in the State where the sales are made.

In order to insure the faithful execution of these

instructions, all receivers are strictly prohibited from accepting for land sold, any draft, certificate, or other evidence of money or deposite, though for specie, unless signed by the Treasurer of the United States, in conformity to the act of April 24, 1820. And each of those officers is required to annex to his monthly returns to this department, the amount of gold and of silver respectively, as well as the bills received under the foregoing exception; and each deposite bank is required to annex to every certificate given upon a deposite of money, the proportions of it actually paid in gold, in silver, and in bank-notes. All former instructions on these subjects, except as now modified, will be considered as remaining in full force.

The principal objects of the President, in adopting this measure, being to repress alleged frauds, and to withhold any countenance or facilities in the power of the government from the monopoly of the public lands in the hands of speculators and capitalists, to the injury of the actual settlers in the new States, and of emigrants in search of new homes, as well as to discourage the ruinous extension of bank issues and bank credits, by which those results are generally supposed to be promoted, your utmost vigilance is required, and relied on, to carry this order into complete execution.

Letters to John Quincy Adams

BY NICHOLAS BIDDLE

A CITIZEN had a right to choose any one of these modes of payment. He had as much right to pay for land with the note of a specie paying Bank as to pay it for duties at the custom house. If this be denied, certainly any one of them might be accepted by the Treasury—but to proscribe all but one—to refuse every thing but the most difficult thing—to do this without notice of the approaching change in the fundamental system of our dealings—is an act of gratuitous oppression.

Under the operation of this resolution, the Banks had gone on, fearing nothing, as they had only to provide for the usual specie calls upon them—and saw the country full of specie, with no foreign demand to drain it from them—when, on a sudden, without any intimation of the coming shock, an order was issued by the Secretary, declaring that their notes were no longer receivable, and of course inviting all who held the notes, and had deposits in these banks, to convert them into specie. It in fact made at once the whole amount of their circulation and private deposits a specie demand upon them.—The first consequence was, that the Banks nearest the land offices ceased making loans. The next was, that they strove to fortify themselves by accumulating specie.

It was just at this moment that the warrants for transfers were put into their hands. The combination of the two measures produced a double result—first, to require the Banks generally to increase their specie, and next, to give them the means of doing it, by drafts on the Deposit Banks. The commercial community were thus taken by surprise. The interior Banks making no loans, and converting their Atlantic funds into specie, the debtors in the interior could make no remittances to the merchants in the Atlantic cities, who are thus thrown for support on the Banks of those cities at a moment when they are unable to afford relief on account of the very abstraction of their specie to the West. The creditor States not only receive no money, but their money is carried away to the debtor States, who in turn, cannot use it, either to pay old engagements or to contract new.

By this unnatural process the specie of New York and the other commercial cities is piled up in the Western States, not circulated, not used, but held as a defence against the Treasury—and while the West cannot use it—the East is suffering for the want of it. The result is, that the commercial intercourse between the West and the Atlantic is almost wholly suspended, and the few operations which are made are burthened with the most extravagant expense. In November, 1836, the interest of money has risen to twenty-four per cent.—merchants are struggling to preserve their credit by ruinous sacrifices—and it costs five or six times as much to transmit funds from the west and south-west, as it did in November, 1835, or '34 or '32.—Thus while the exchanges with all the world are in our favour—while Europe is alarmed, and the Bank of England itself uneasy at the quantity of specie we possess—we are suffering, because, from mere mismanagement, the whole ballast of the currency is shifted from one side of the vessel to the other.

In the absence of good reasons for these measures, and as a pretext for them, it is said that the country has over-traded—that the Banks have over-issued, and that the purchasers of public lands have been very extravagant. I am not struck by the truth or the propriety of these complaints. The phrase of overtrading is very convenient but not very intelligible. If it means any thing, it means

that our dealings with other countries have brought us in debt to those countries. In that case the exchange turns against our country, and is rectified by an exportation of specie or stocks in the first instance—and then by reducing the imports to the exports.—Now the fact is, that at this moment, the exchanges are all in favour of this country—that is, you can buy a bill of exchange on a foreign country cheaper than you can send specie to that country. Accordingly, much specie has come in—none goes out. This too at a moment when the exchange for the last crop is exhausted, and that of the new crop has not yet come into the market—and when we are on the point of sending to Europe the produce of the country, to the amount of eighty or one hundred millions of dollars. How then has the country overtraded? Exchange with all the world is in favour of New York. How then can New York be an overtrader? Her merchants have sold goods to the merchants of the interior, who are willing to pay, and under ordinary circumstances able to pay—but by the mere fault of the government, as obvious as if an earthquake had swallowed them up, their debtors are disabled from making immediate payment. It is not that the Atlantic merchants have sold too many goods, but that the government prevents their receiving payment for any. Moreover in the commercial cities money can be had, though at extravagant rates, for capitalists add to the ordinary charges for the use of it a high insurance against the loss of it. It is not then so much that money is not to be procured, as that doubt and alarm increase the hazards of lending it.

Then as to the Banks. It is quite probable that many of the Banks have extended their issues—but whose fault is it? Who called these banks into existence? The Executive. Who tempted and goaded them to these issues? Undoubtedly the Executive. The country five years ago was in possession of the most beautiful machinery of currency and exchanges the world ever saw. It consisted of a number of State Banks protected, and, at the same time, restrained by the Bank of the United States.

The people of the United States through their representatives rechartered that institution. But the Executive, discontented with its independence, rejected the Act of Congress—and the favourite topic of declamation was that the States would make Banks, and that these Banks could create a better system of currency and exchanges. The States accordingly made banks—and then followed idle parades about the loans of these banks, and their enlarged dealings in exchange. And what is the consequence? The Bank of the United States has not ceased to exist more than seven months, and already the whole currency and exchanges are running into inextricable confusion, and the industry of the country is burthened with extravagant charges on all the commercial intercourse of the Union. And now, when these banks have been created by the Executive, and urged into these excesses, instead of gentle and gradual remedies, a fierce crusade is raised against them—the funds are harshly and suddenly taken from them, and they are forced to extraordinary means of defence against the very power which brought them into being. They received, and were expected to receive, in payment for the Government, the notes of each other, and the notes of other banks, and the facility with which they did so, was a ground of special commendation by the Government. And now that Government has let loose upon them a demand for specie, to the whole amount of these notes. I go further.

There is an outcry abroad, raised by faction and echoed by folly, against the Banks in the United States. Until it was disturbed by the Government, the banking system of the United States was at least as good as that of any other commercial country. What was desired for its perfection, was precisely what I have so long striven to accomplish—to widen the metallic basis of the currency, by a greater infusion of coin into the smaller channels of circulation. This was in a gradual and judicious train of accomplishment. But this miserable foolery about an exclusively metallic currency is quite as absurd as to discard the steam boats, and go back to poling up the Mississippi. Banks may often err from want of skill, and occasionally be injurious as steam is—but it is not the less true, that the banks of this country have been the great instruments of its improvements, and that during all the convulsions of the last fifteen years, for every American bank which has failed, at least ten English banks have failed.

So with regard to the lands. For the last few years, the amount of the sales of the public lands has been a constant theme of congratulation with the Executive. In the very last message, on the 12th of December, 1835, he repeats the same strain. "Among the *evidences of the increasing prosperity of the country, not the least gratifying is that afforded by the receipts of the public lands, which amount in the present year to eleven millions of dollars. This circumstance attests the rapidity with which agriculture, the first and most important occupation of man, advances, and contributes to the wealth and power of our extended territory.*" In the same message he declared that "the

circulating medium has been greatly improved. By the use of the State Banks it is ascertained *that all the wants of the community in relation to exchange and currency are supplied as well as they have ever been before.*" Scarcely seven months elapse when these pastoral and financial visions dissolve in air. Agriculture ceases to be "the first and most important occupation of man"—the State Banks cease to be the models of exchange and currency—but forth issues the Secretary with a declaration, that to protect the Treasury "from frauds, speculation, and monopolies in the purchase of public lands"—from "excessive bank credits"—from "ruinous extension of bank issues" —nothing shall be received for land but gold and silver.

Now what an exhibition is this?

The public lands are exposed to public auction, the prices reduced in order to encourage sales, and the President stands by, exulting at the amount, when suddenly he declares that he will permit no speculations, and that he will raise the price of the lands by raising the price of what alone he will receive for them. Now, supposing it true that men have bought much land. What right has the President to dictate to the citizens of this country, whether they buy too much land or too much broad cloth? They might be permitted to know and to manage their own concerns quite as well as he does, leaving the evil, if it be one, to correct itself, by its own excess. If he prohibits the receipt of any thing but specie to correct land speculations, he may make the same prohibition as to the duties on hardware or broadcloth or wines, whenever his paternal wisdom shall see us buying too many shovels, or too many coats, or too much champaigne—and thus bring the entire industry of the country under his control.

These troubles may not, however, be wholly useless, if we extract from them two great lessons.—The first is, that we can have no permanent financial prosperity while the public revenue is separated from the business of the country and committed to rash and ignorant politicians with no guides but their own passions and interests. I have little doubt that the specie order is the revenge of the President upon Congress for passing the Distribution Law.—I have less doubt that this dispersion of the revenue among the multitude of Banks was to advance the obscure aspirings of some Treasury Cæsar.

The other lesson is—one a thousand times repeated and a thousand times forgotten—to distrust all demagogues of all parties who profess exclusive love for what they call the People. For the last six years the country has been nearly convulsed by efforts to break the mutual dependence of all classes of citizens—to make the laborer regard his employer as his enemy, and to array the poor against the rich. These trashy declaimers have ended by bringing the country into a condition where its whole industry is subject far more than it ever was before, to the control of the large capitalists—and where every step tends inevitably to make the rich richer, and the poor poorer.

It remains to speak of the remedy of these evils. They follow obviously the causes of them. The causes are the injudicious transfers of the public monies, and the Treasury order about specie.

The first measure of relief therefore should be, the instant repeal of the Treasury order requiring specie for lands—the second, the adoption of a proper system to execute the distribution law.

These measures would restore confidence in twenty-four hours, and repose at least in as many days. If the Treasury will not adopt them voluntarily, Congress should immediately command it.

In the mean time, all forbearance and calmness should be maintained. There is great reason for anxiety—none whatever for alarm—and with mutual confidence and courage, the country may yet be able to defend itself against the Government. —In that struggle my poor efforts shall not be wanting. I go for The Country, whoever rules it—I go for The Country, best loved when worst governed—and it will afford me far more gratification to assist in repairing its wrongs, than to triumph over those who inflict them.

Letters on American Debts

BY SYDNEY SMITH

LETTER I TO THE EDITOR OF THE MORNING CHRONICLE

Sir,

You did me the favor, some time since, to insert in your valuable journal a petition of mine to the American Congress, for the repayment of a loan made by me, in common with many other unwise people, to the State of Pennsylvania. For that petition I have been abused in the grossest manner by many of the American papers. After some weeks' reflection, I see no reason to alter my opinions, or to retract my expressions. What I then said was not wild declamation, but measured truth.

I repeat again, that no conduct was ever more profligate than that of the State of Pennsylvania. History cannot pattern it: and let no deluded being imagine that they will ever repay a single farthing—their people have tasted of the dangerous luxury of dishonesty, and they will never be brought back to the homely rule of right. The money transactions of the Americans are become a by-word among the nations of Europe. In every grammar-school of the whole world *ad Græcas Calendas* is translated—the American dividends.

I am no enemy to America. I loved and admired honest America when she respected the laws of pounds, shillings, and pence; and I thought the United States the most magnificent picture of human happiness: I meddle now in these matters because I hate fraud—because I pity the misery it has occasioned—because I mourn over the hatred it has excited against free institutions.

Among the discussions to which the moral lubricities of this insolvent people have given birth, they have arrogated to themselves the right of sitting in judgment upon the property of their creditors—of deciding who among them is rich, and who poor, and who are proper objects of compassionate payment; but in the name of Mercury, the great god of thieves, did any man ever hear of debtors alleging the wealth of the lender as a reason for eluding the payment of the loan? Is the Stock Exchange a place for the tables of the money-lenders; or is it a school of moralists, who may amerce the rich, exalt the poor, and correct the inequalities of fortune? Is *Biddle* an instrument in the hand of Providence to exalt the humble, and send the rich empty away? Does American Providence work with such instruments as *Biddle?*

But the only good part of this bad morality is not acted upon. The rich are robbed, but the poor are not paid: they growl against the dividends of Dives, and don't lick the sores of Lazarus. They seize with loud acclamations, on the money bags of Jones Lloyd, Rothschild, and Baring, but they do not give back the pittance of the widow, and the bread of the child. Those knaves of the setting sun may call me rich, for I have a twentieth-part of the income of the Archbishop of Canterbury; but the curate of the next parish is a wretched soul, bruised by adversity; and the three hundred pounds for his children, which it has taken his life to save, is eaten and drunken by the mean men of Pennsylvania—by men who are always talking of the virtue and honor of the United States—by men who soar above others in what they say, and sink below all nations in what they do—who, after floating on the heaven of declamation, fall down to feed on the offal and garbage of the earth.

Persons who are not in the secret are inclined to consider the abominable conduct of the repudiating States to proceed from exhaustion—"They don't pay because they cannot pay; whereas, from estimates which have just now reached this country, this is the picture of the finances of the insolvent states. Their debts may be about 200 millions of dollars; at an interest of six per cent. this makes an annual charge of 12 millions of dollars, which is little more than 1 per cent. of their income in 1840, and may be presumed to be less than 1 per cent. of their present income; but if they were all to provide funds for the punctual payment of interest, the debts could readily be converted into a 4 or 5 per cent. stock, and the excess, converted into a sinking fund, would discharge the debt in less than thirty years. The debt of Pennsylvania, estimated at 40 millions of dollars, bears, at 5 per cent., an annual interest of 2 millions. The income of this State was, in 1840, 131 millions of dollars,[1] and is probably at this time not less than 150 millions: a net revenue of only 1½ per cent. would produce the 2 millions required. So that the price of national character in Pennsylvania is 1 1-2 per cent. on the net income; and if this market price of morals were established here, a gentleman of a thousand a year would deliberately and publicly submit to infamy for 15*l.* per annum; and a poor man, who by laborious industry had saved one hundred a year, would incur general disgrace and opprobrium for thirty shillings by the year. There really should be lunatic asylums for nations as well as for individuals.

But they begin to feel all this: their tone is changed; they talk with bated breath and whispering apology, and allay with some cold drops of modesty their skipping spirit. They strutted into this miserable history, and begin to think of sneaking out.

And then the subdolous press of America contends that the English under similar circumstances would act with their own debt in the same manner; but there are many English constituencies where are thousands not worth a shilling, and no such idea has been broached among them, nor has any petition to such effect been presented to the legislature. But what if they did act in such a manner, would it be a conduct less wicked than that of the Americans? Is there not one immutable law of justice—is it not written in the book? Does it not beat in the heart?—are the great guidemarks of life to be concealed by such nonsense as this? I deny the fact on which the reasoning is founded;

[1] This is manifestly an error. By "income" Mr. Smith doubtless means the aggregate amount of taxable property in the State. [Ed. New World.]

and if the facts were true, the reasoning would be false.

I never met a Pennsylvanian at a London dinner without a disposition to seize and divide him;—to allot his beaver to one sufferer and his coat to another—to appropriate his pocket-handkerchief to the orphan, and to comfort the widow with his silver watch, Broadway rings, and the London Guide, which he always carries in his pockets. How such a man can set himself down at an English table without feeling that he owes two or three pounds to every man in company, I am at a loss to conceive: he has no more right to eat with honest men than a leper has to eat with clean men. If he has a particle of honor in his composition he would shut himself up, and say, "I cannot mingle with you, I belong to a degraded people—I must hide myself—I am a plunderer from Pennsylvania."

Figure to yourself a Pennsylvanian receiving foreigners in his own country, walking over the public works with them, and showing them Larcenous Lake, Swindling Swamp, Crafty Canal, and Rogue's Railway, and other dishonest works. "This swamp we gained (says the patriotic borrower) by the repudiated loan of 1828. Our canal robbery was in 1830; we pocketed your good people's money for the railroad only last year." All this may seem very smart to the Americans; but if I had the misfortune to be born among such a people, the land of my fathers should not retain me a single moment after the act of repudiation. I would appeal from my fathers to my forefathers. I would fly to Newgate for greater purity of thought, and seek in the prisons of England for better rules of life.

This new and vain people can never forgive us for having preceded them 300 years in civilization. They are prepared to enter into the most bloody wars with England, not on account of Oregon, or boundaries, but because our clothes and carriages are better made, and because Bond-street beats Broadway. Wise Webster does all he can to convince the people that these are not lawful causes of war; but wars, and long wars, they will one day or another produce; and this, perhaps, is the only advantage of repudiation. The Americans cannot gratify their avarice and ambition at once; they cannot cheat and conquer at the same time. The warlike power of every country depends on their Three per Cents. If Cæsar were to reappear upon earth, Wettenhall's List would be more important than his Commentaries; Rothschild would open and shut the Temple of Janus; Thomas Baring, or Bates, would probably command the Tenth Legion, and the soldiers would march to battle with loud cries of Scrip and Omnium reduced, Consols, and Cæsar! Now, the Americans have cut themselves off from all resources of credit. Having been as dishonest as they can be, they are prevented from being as foolish as they wish to be. In the habitable globe they cannot borrow a guinea, and they cannot draw the sword because they have not money to buy it.

If I were an American of any of the honest States, I would never rest till I had compelled Pennsylvania to be as honest as myself. The bad faith of that State brings disgrace on all; just as common snakes are killed because vipers are dangerous. I have a general feeling, that by that breed of men I have been robbed and ruined, and I shudder and keep aloof. The pecuniary credit of every State is affected by Pennsylvania. Ohio pays; but with such a bold bankruptcy before their eyes, how long will Ohio pay? The truth is, that the eyes of all capitalists are averted from the United States. The finest commercial understandings will have nothing to do with them. Men rigidly just, who penetrate boldly into the dealings of nations, and work with vigor and virtue for honorable wealth—great and high-minded merchants—will loathe, and are now loathing, the name of America: it is becoming, since its fall, the common-shore of Europe, and the native home of the needy villain.

And now, drab-colored men of Pennsylvania, there is yet a moment left: the eyes of all Europe are anchored upon you—

"Surrexit mundus justis furiis"

start up from that trance of dishonesty into which you are plunged; don't think of the flesh which walls about your life, but of that sin which has hurled you from the heaven of character, which hangs over you like a devouring pestilence, and makes good men bad, and ruffians dance and sing. It is not for Gin Sling and Sherry Cobbler alone, that man is to live, but for those great principles against which no argument can be listened to—principles which give to every power a double power above their functions and their offices, which are the books, the arts, the academies that teach, lift up, and nourish the world—principles (that I am quite serious in what I say) above cash, superior to cotton, higher than currency—principles, without which it is better to die than to live, which every servant of God, over every sea and in all lands, should cherish—*usque ad abdita spiramenta animæ*.

Yours &c.

November 3, 1843. SYDNEY SMITH

THE UNITED STATES AND THE WORLD

GENESIS OF THE MONROE DOCTRINE

THREE PARAGRAPHS in President Monroe's message of December, 1823, have become one of the cornerstones of American foreign policy:

"At the proposal of the Russian imperial government made through the minister of the Emperor residing here, a full power and instructions have been transmitted to the Minister of the United States at St. Petersburgh, to arrange by amicable negotiation, the respective rights and interests of the two nations on the northwest coast of this continent. A similar proposal has been made by his Imperial Majesty to the government of Great Britain, which has likewise been acceded to. The government of the United States has been desirous, by this friendly proceeding, of manifesting the great value which they have invariably attached to the friendship of the emperor, and their solicitude to cultivate the best understanding with his government. In the discussions to which this interest has given rise, and in the arrangements by which they may terminate, the occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European power. . . .

"It was stated at the commencement of the last session that a great effort was then making in Spain and Portugal, to improve the condition of the people of those countries, and that it appeared to be conducted with extraordinary moderation. It need scarcely be remarked, that the result has been, so far, very different from what was then anticipated. Of events in that quarter of the globe, with which we have so much intercourse, and from which we derive our origin, we have always been anxious and interested spectators. The citizens of the United States cherish sentiments the most friendly, in favor of the liberty and happiness of their fellow men on that side of the Atlantic. In the wars of the European powers, in matters relating to themselves, we have never taken any part, nor does it comport with our policy so to do. It is only when our rights are invaded, or seriously menaced, that we resent injuries, or make preparation for our defence. With the movements in this hemisphere, we are, of necessity, more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied powers is essentially different, in this respect, from that of America. This difference proceeds from that which exists in their respective governments. And to the defence of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted. We owe it, therefore, to candor, and to the amicable relations existing between the United States and those powers, to declare, that we should consider any attempt on their part to extend their system to any portion of this hemisphere, as dangerous to our peace and safety. With the existing colonies or dependencies of any European power, we have not interfered, and shall not interfere. But with the governments who have declared their in-

dependence, and maintained it, and whose independence we have, on great consideration, and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner, their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition towards the United States. In the war between those new governments and Spain, we declared our neutrality at the time of their recognition, and to this we have adhered, and shall continue to adhere, provided no change shall occur, which, in the judgment of the competent authorities of this government, shall make a corresponding change, on the part of the United States, indispensable to their security.

"The late events in Spain and Portugal, show that Europe is still unsettled. Of this important fact, no stronger proof can be adduced than that the allied powers should have thought it proper, on any principle satisfactory to themselves, to have interposed by force, in the internal concerns of Spain. To what extent such interposition may be carried, on the same principle, is a question, to which all independent powers, whose governments differ from theirs, are interested; even those most remote, and surely none more so than the United States. Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, not to interfere in the internal concerns of any of its powers; to consider the government *de facto* as the legitimate government for us; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy; meeting, in all instances, the just claims of every power; submitting to injuries from none. But, in regard to these continents, circumstances are eminently and conspicuously different. It is impossible that the allied powers should extend their political system to any portion of either continent without endangering our peace and happiness: nor can any one believe that our Southern brethren, if left to themselves, would adopt it of their own accord. It is equally impossible, therefore, that we should behold such interposition, in any form, with indifference. If we look to the comparative strength and resources of Spain and those new governments, and their distance from each other, it must be obvious that she can never subdue them. It is still the true policy of the United States to leave the parties to themselves, in the hope that other powers will pursue the same course."

Monroe's statement stemmed from the complexities of a postwar settlement in which national aspirations collided with the realities of power politics in the early twenties. In Europe, subject nationalities, like the Greeks, were in rebellion against their Ottoman masters. Spain had made its fight for constitutional government, an effort defeated by French intervention shortly before Monroe made his statement. Spain's colonies in the Western Hemisphere had felt the reins of royal control slacken during the turbulent years when Napoleon attempted to impose a Bonaparte as King of Spain. The Spanish lands of the New World had risen and now they were fighting to maintain the independence which the United States had already recognized by 1823. And, at the north, a Russian ukase attempted to extend the boundaries of Alaska, while the Russian Czar stood at the head of the Allied sovereigns who had restored Spanish absolutism and who were bound in honor and interest to block further advances of liberalism.

England's position was uncertain in this situation: her merchants had enjoyed free trade with Spanish America during the Napoleonic wars, a privilege they might lose if military intervention restored Spain's dominions. English statesmen eyed the rebirth of French influence uneasily, to be sure, yet they were aware of potential American competition for the carrying trade of the new republics, to say nothing of the fact that the Louisiana Purchase and the Florida treaty with Spain had shown that the United States was an expanding power.

That British uneasiness is illustrated in

Foreign Secretary George Canning's cabinet memorandum of November 15, 1822. The restoration of Spain's exclusive colonial system endangered England's trade—but the United States had a navy within easy access of the Caribbean, and she coveted the island of Cuba.

By March, 1823, the French invasion of Spain had overbalanced Canning's distrust of American ambition for the moment. He warned the French that intervention to overthrow constitutional government in Spain gave the Allied powers no license for extending that intervention to Spain's colonies. Canning was not entirely certain of the effectiveness of his warning; hence, in August, he turned to another factor in the situation and began his negotiations with American Minister Richard Rush at London. Canning proposed that the United States and England should issue a joint declaration against the reconquest, or the transfer, of Spain's dominions in the Western Hemisphere. Rush replied by asking that England recognize the independence of the Latin American states before further action was taken. Canning evaded and Rush pressed the issue. By September, 1823, Rush was willing to sign a joint declaration without consulting his own government—if England would recognize the South American republics. Again Canning evaded and then dropped the scheme altogether as the French Foreign Minister finally convinced him that France did not mean to give military backing to any attempt of Spain's to reconquer her empire in the Western Hemisphere.

While Secretary of State John Quincy Adams was escaping a Washington summer at Quincy, President Monroe was receiving such dispatches as these, which show Richard Rush's progress from welcome of Canning's proposals to disillusion and distrust of British overtures. Monroe turned to Jefferson and Madison for advice concerning Canning's plan for a joint declaration. In his reply, which favored accepting Canning's proposals, Jefferson stressed the idea of the "two spheres," and urged that republican America remain aloof and leave monarchical Europe to its own devices. Like Jefferson, Madison was ready to accept the Canning plan, but he was not willing to abandon Europe. The struggle between absolutism and constitutional government was being fought in the Old World as well as in the New. The United States, as the world's foremost republic, should not undertake joint action with England until the latter recognized the independence of Greece to atone for its treachery to free government in Spain.

When Monroe's Cabinet reassembled at Washington in October, it had to consider the Russian ukase, the Canning proposal, and the advice of the two elder statesmen. Then Rush informed his chief of Canning's apparent withdrawal, which convinced John Quincy Adams that Canning had been motivated by a desire to keep the United States out of Cuba. Later in the month, Baron Tuyl, the Russian Minister, informed the American Secretary of State that Russia could not recognize any of the states formed by the break-up of Spain's empire in the New World. Tuyl went on to remark—with almost sinister casualness in John Quincy Adams's view—that the United States was to be congratulated on its present "admirably neutral" position in regard to Spain and her colonies.

By mid-November of 1823, Monroe's Cabinet had begun discussing the foreign policy statement to be included in the President's next message. Adams's diary, which had been suspended during the summer, records these discussions and portrays the conflicting views which swayed the participants. Monroe and John C. Calhoun, then Secretary of War, appear most concerned about the possibility of military intervention in the Americas. Adams doubted that Their Majesties planned such action: restoration of the Spanish colonial system could profit none of the powers concerned and none had sufficient naval strength to challenge the United States in American waters. Opposing the cautious Attorney General, William Wirt, Adams urged that Monroe include a statement on American foreign policy in his

next annual message. But, as Adams's prime concern was possible general European hostility against the United States, he urged that we state our views independently rather than in a joint declaration with England, which might be particularly offensive to Russia. That same concern for European opinion prompted Adams to oppose Monroe's plan to include a recommendation that Congress appropriate money to send a Minister to the revolutionary republic of Greece.

Monroe accepted Adams's advice and limited his remarks to a declaration that the New World was closed to further European colonization and that, as the United States refrained from interfering in European affairs, so it would consider effort to extend European systems into these continents as an unfriendly act.

Thus the Monroe Doctrine took form, impelled by the forces of power politics and shaped by the ideas of many men. The distinction between the "two spheres" complemented by the notion of "an American System" stemmed from the speeches of Henry Clay, the propaganda of revolutionary Latin American agents in the United States, the influence of Jefferson, and the conviction of James Monroe. The noncolonization idea had its immediate origin in John Quincy Adams's earlier observations on the ukase extending the boundary of Russian America; while the unilateral character of Monroe's statement derives from the Rush dispatch of October tenth, and from Adams's distrust of the sudden friendliness Canning was displaying toward the United States.

The Monroe Doctrine was all but ignored in the Europe of the 1820s and it did not actually become a functioning element in the American tradition until many decades afterward. Yet, though the doctrine was a declaration unsupported by adequate force, it offered the first official sanction to the idea that the severance of the European and the American political systems gave to the United States the role of leader in the Americas and protector of their liberties. It was a statement of America against Europe, and not against Latin America.

The Canning and Rush letters are reprinted from the Massachusetts Historical Society *Proceedings*, Series 2, Vol XV (1902). The selection from John Quincy Adams is from the *Memoirs*, Vol. VI (Philadelphia, 1875).

Correspondence of George Canning and Richard Rush

Richard Rush to the Secretary of State

London, August 19, 1823

Sir,—When my interview with Mr. Canning on Saturday was about to close, I transiently asked him whether, notwithstanding the late news from Spain, we might not hope that the Spaniards would get the better of all their difficulties. I had allusion to the defection of Baltasteros, in Andalusia, an event seeming to threaten with new dangers the constitutional cause. His reply was general, importing nothing more than his opinion of the increased difficulties and dangers with which, undoubtedly, this event was calculated to surround the Spanish cause.

Pursuing the topick of Spanish affairs, I remarked that should France ultimately effect her purposes in Spain, there was at least the consolation left, that Great Britain would not allow her to go farther and lay her hands upon the Spanish colonies, bringing them too under her grasp. I here had in my mind the sentiments promulgated upon this subject in Mr. Canning's note to the British ambassador at Paris of the 31st of March, during the negotiations that preceded the invasion of Spain. It will be recollected that the British government says in this note, that time and the course of events appeared to have substantially decided the question of the separation of these colonies from the mother country, although their formal recognition as independent states by Great Britain might be hastened or retarded by external circumstances, as well as by the internal condition of those new states themselves; and that as his Britannic majesty disclaimed all intention of appropriating to himself the smallest portion of the late Spanish possessions in America, he was also satisfied that no attempt would be made by France to bring any of them under her dominion, either by conquest, or by cession from Spain.

By this we are to understand, in terms sufficiently distinct, that Great Britain would not be passive under such an attempt by France, and Mr. Canning, on my having referred to this note, asked me what I thought my government would say to going hand in hand with this, in the same sentiment; not as he added that any concert in action under it, could become necessary between the two countries, but that the simple fact of our being known to hold the same sentiment would, he had no doubt, by its moral effect, put down the intention on the part of France, admitting that she should ever entertain it. This belief was founded he said upon the large share of the maritime power of the world which Great Britain and the United States shared between them, and the consequent influence which the knowledge that they held a common opinion upon a question on which such large maritime interests, present and future, hung, could not fail to produce upon the rest of the world.

I replied, that in what manner my government would look upon such a suggestion, I was unable to say, but that I would communicate it in the same informal manner in which he threw it out. I said, however, that I did not think I should do so with full advantage, unless he would at the same time enlighten me as to the precise situation in which His Majesty's government stood at this moment in relation to those new states, and especially on the material point of their own independence.

He replied that Great Britain certainly never again intended to lend her instrumentality or aid, whether by mediation or otherwise, towards making up the dispute between Spain and her colonies; but that if this result could still be brought about, she would not interfere to *prevent* it. Upon my intimating that I had supposed that all idea of Spain ever recovering her authority over the colonies had long since gone by, he explained by saying that he did not mean to controvert that opinion, for he too believed that the day had arrived when all America might be considered as lost to Europe, so far as the tie of political dependence was concerned. All that he meant was, that if Spain and the colonies should still be able to bring the dispute, not yet totally extinct between them, to a close upon terms satisfactory to both sides, and which should at the same time secure to Spain commercial or other advantages not extended to other nations, that Great Britain would not object to a compromise in this spirit of preference to Spain. All that she would ask would be to stand upon as favored a footing as any other nation after Spain. Upon my again alluding to the improbability of the dispute ever settling down now even upon this basis, he said that it was not his intention to maintain such a position, and that he had expressed himself as above rather for the purpose of indicating the feeling which this cabinet still had towards Spain in relation to the controversy, than of predicting results.

Wishing, however, to be still more specifically informed, I asked whether Great Britain was at this moment taking any step, or contemplating any, which had reference to the recognition of these states, this being the point in which we felt the chief interest.

He replied that she had taken none whatever, as yet, but was upon the eve of taking one, not final, but preparatory, and which would still leave her at large to recognize or not according to the position of events at a future period. The measure in question was, to send out one or more individuals under authority from this government to South America, not strictly diplomatic, but clothed with powers in the nature of a commission of inquiry, and which in short he described as analogous to those exercised by our commissioners in 1817; and that upon the result of this commission much might depend as to the ulterior conduct of Great Britain. I asked whether I was to understand that it would comprehend all the new states, or which of them; to which he replied that, for the present, it would be limited to Mexico.

Reverting to this first idea he again said, that he hoped that France would not, should even events in the Peninsula be favorable to her, extend her views to South America for the purpose of reducing the colonies, nominally perhaps for Spain, but in effect to subserve ends of her own; but that in case she should meditate such a policy, he was satisfied that the knowledge of the United States being opposed to it as well as Great Britain, could not fail to have its influence in checking her steps. In this way he thought good might be done by prevention, and peaceful prospects all round increased. As to the form in which such knowledge might be made to reach France, and even the other powers of Europe, he said in conclusion that that might probably be arranged in a manner that would be free from objection.

I again told him that I would convey his suggestions to you for the information of the President, and impart to him whatever reply I might receive. My own inference rather is, that his proposition was a fortuitous one; yet he entered into it I thought with some interest, and appeared to receive with a corresponding satisfaction the assurance I gave him that it should be made known to the President. I did not feel myself at liberty to

express any opinion unfavorable to it, and was as careful to give none in its favor.

Mr. Canning mentioned to me at this same interview, that a late confidential despatch which he had seen from Count Nesselrode to Count Lieven, dated, I think, in June, contained declarations respecting the Russian ukase relative to the northwest coast that were satisfactory; that they went to show that it would probably not be executed in a manner to give cause of complaint to other nations, and that, in particular, it had not yet been executed in any instance under orders issued by Russia subsequently to its first promulgation.

I have the honor to remain, with very great respect,

Your obedient servant,
Richard Rush

Honorable John Quincy Adams, Secretary of State.

(Enclosure with Mr. Rush's No. 325, August 23, 1823.)

GEORGE CANNING TO RICHARD RUSH

Private and confidential.

Foreign Office, Aug. 20, 1823

MY DEAR SIR,—Before leaving Town I am desirous of bringing before you in a more distinct, but still in an unofficial and confidential shape, the question which we shortly discussed the last time that I had the pleasure of seeing you.

Is not the moment come when our Governments might understand each other as to the Spanish American Colonies? And if we can arrive at such an understanding, would it not be expedient for ourselves, and beneficial for all the world, that the principles of it should be clearly settled and plainly avowed?

For ourselves we have no disguise.

1. We conceive the recovery of the Colonies by Spain to be hopeless.

2. We conceive the question of the recognition of them, as Independent States, to be one of time and circumstances.

3. We are, however, by no means disposed to throw any impediment in the way of an arrangement between them and the mother country by amicable negotiations.

4. We aim not at the possession of any portion of them ourselves.

5. We could not see any portion of them transferred to any other Power, with indifference.

If these opinions and feelings are as I firmly believe them to be, common to your Government with ours, why should we hesitate mutually to confide them to each other; and to declare them in the face of the world?

If there be any European Power which cherishes other projects, which looks to a forcible enterprize for reducing the colonies to subjugation, on the behalf or in the name of Spain; or which meditates the acquisition of any part of them to itself, by cession or by conquest; such a declaration on the part of your government and ours would be at once the most effectual and the least offensive mode of intimating our joint disapprobation of such projects.

It would at the same time put an end to all the jealousies of Spain with respect to her remaining Colonies, and to agitation which prevails in those Colonies, an agitation which it would be but humane to allay; being determined (as we are) not to profit by encouraging it.

Do you conceive that under the power which you have recently received, you are authorized to enter into negotiation and to sign any Convention upon this subject? Do you conceive, if that be not within your competence, you could exchange with me ministerial notes upon it?

Nothing could be more gratifying to me than to join with you in such a work, and, I am persuaded, there has seldom, in the history of the world, occurred an opportunity when so small an effort of two friendly Governments might produce so unequivocal a good and prevent such extensive calamities.

I shall be absent from London but three weeks at the utmost; but never so far distant but that I can receive and reply to any communication within three or four days.

I have the honor to be
My Dear Sir, with great respect and esteem
Your obedient and faithful servant
(Signed) George Canning

R. Rush, Esqr.

RICHARD RUSH TO THE SECRETARY OF STATE

London, October 10, 1823

SIR,—At the conference with Mr. Canning the day before yesterday, he said nothing of Spanish American affairs, except barely to remark at parting, that he should send off consuls to the new states very soon, perhaps in the course of this month. I asked whether *consuls* or commercial agents. He said he believed they might as well be called by the former name, as they would be invested with the powers and charged with the duties that belonged to the consular office. I asked if they would be received in that capacity by the governments between which and Great Britain no political or diplomatic relations had yet been

formed. He said, that this he did not know with any certainty; he rather supposed that they would be received.

I saw him again at the foreign office yesterday, and he said not one single word relative to South America, although the occasion was altogether favorable for resuming the topick, had he been disposed to resume it. I therefore consider that all further discussion between us in relation to it is now at an end. I had myself regarded the questions involved in the discussion as essentially changed by the arrival of the news of the convention of the 4th of July between Buenos Ayres and the commissioners from Spain: and of the complete annihilation of the remnant of the royal forces in Colombia under Morales, on the third of August, both which pieces of intelligence have reached England since the twenty sixth of September, the date of my last conference with Mr. Canning on the South American subject.

The termination of the discussion between us may be thought somewhat sudden, not to say abrupt, considering how zealously as well as spontaneously it was stated on his side. As I did not commence it, it is not my intention to revive it. If I had actually acceded to his proposals, I should have endeavored to have placed my conduct in a satisfactory light before the President. The motives of it would not, I flatter myself, have been disapproved. But as the whole subject is now before my government, and as I shall do nothing further in it without instructions, I should deem it out of place to travel into any new reasons in support of a step not in fact taken.

Mr. Canning not having acceded to my proposal, nor I to his, we stand as we were before his first advance to me, with the exception only of the light which the intervening discussion may be supposed to have shed upon the dispositions and policy of England in this important matter. It appears that having ends of her own in view, she has been anxious to facilitate their accomplishment by invoking my auxiliary offices as the minister of the United States at this court; but as to the independence of the new states of America, for their own benefit, that this seems quite another question in her diplomacy. It is France that must not be aggrandized, not South America that must be made free. The former doctrine may fitly enough return upon Britain as part of her permanent political creed; but not having been taught to regard it as also incorporated with the foreign policy of the United States, I have forborne to give it gratuitous succour. I would have brought myself to minister to it incidentally on this occasion, only in return for a boon which it was in the power of Britain herself to have offered; a boon that might have closed the sufferings and brightened the prospects of those infant Republics emerging from the new world, and seeming to be connected as by a great moral chain with our own destinies.

Whether any fresh explanations with France since the fall of Cadiz may have brought Mr. Canning to so full and sudden a pause with me, I do not know, and most likely never shall know if events so fall out that Great Britain no longer finds it necessary to seek the aid of the United States in furtherance of her schemes of counteraction as against France or Russia. That the British cabinet, and the governing portion of the British nation, will rejoice at heart in the downfall of the constitutional system in Spain, I have never had a doubt and have not now, so long as this catastrophe can be kept from crossing the path of British interests and British ambition. This nation in its collective, corporate, capacity has no more sympathy with popular rights and freedom now, than it had on the plains of Lexington in America; than it showed during the whole progress of the French revolution in Europe, or at the close of its first great act, at Vienna, in 1815; than it exhibited lately at Naples in proclaiming a neutrality in all other events, save that of the safety of the royal family there; or, still more recently, when it stood aloof whilst France and the Holy Alliance avowed their intention of crushing the liberties of unoffending Spain, of crushing them too upon pretexts so wholly unjustifiable and enormous that English ministers, for very shame, were reduced to the dilemma of speculatively protesting against them, whilst they allowed them to go into full action. With a king in the hands of his ministers, with an aristocracy of unbounded opulence and pride, with what is called a house of commons constituted essentially by this aristocracy and always moved by its influence, England can, in reality, never look with complacency upon popular and equal rights, whether abroad or at home. She therefore moves in her natural orbit when she wars, positively or negatively, against them. For their own sakes alone, she will never war in their favor.

In the conference with Mr. Canning at Gloucester Lodge on the 26th of last month, he informed me that this government had sent out three commissioners to Mexico with objects such as I have already stated in a former communication to you. Should the course and progress of events after their arrival in Mexico, render recognition by Great Britain advisable, one of these commissioners was furnished, he said, with contingent credentials to be minister, another would be consti-

tuted secretary of Legation, and the third consul. He also said that these appointments, as well as those of commercial agents or consuls, whichsoever they might be, to go to the new states generally, would probably have the effect of inviting in the end further approaches from them all, to an intercourse with Great Britain, which approaches, should they be made, might be met by Great Britain, according to circumstances.

It may perhaps afford room for conjecture what has led to the preference of Mexico over the other ex-colonies for such a provisionary diplomatic representation. I have heard a rumour, that an eye to some immediate advantage from the mines of that country has been the motive. Whilst the independence of Mexico has been of more recent establishment, it seems not less true, that her advances to internal stability have been less sure than we have seen in some of the other new states. Mr. Canning himself in one of our conversations thought fit to select Mexico as affording a prominent illustration of interior disquiet. Whether then the above rumour is the key to this early preference, or the proximity of this new state to the territories of the United States—or what considerations may have led to it, a little more time will probably disclose. It may rest on the mere fact of her greater population and riches. . . .

I have the honor to remain, with very great respect,

Your obedient servant,

Richard Rush

Honorable John Quincy Adams, Secretary of State

Memoirs of John Quincy Adams

[NOVEMBER, 1823]

20th. At the office I received a note from the President, proposing large alterations to my draft of instructions to R. Rush upon Canning's proposals concerning South American affairs. Some of the alterations were unexceptionable; others I wished him further to consider. I called at his house, but he was out riding. He afterwards came to the office. I stated my objections to some of his proposed alterations of my draft, and suggested to him the substance of a substitute which I wished to offer to his projected paragraph. He agreed that I should draft a substitute, and proposed a meeting of the Administration to-morrow. He had adopted Mr. Calhoun's idea of giving Mr. Rush a discretionary power to act jointly with the British Government in case of any sudden emergency of danger, of which they and he should judge. I am utterly averse to this; and I told him that I thought the instructions should be explicit, authorizing him distinctly to act in specified contingencies, and requiring him in all others to refer for every important measure to his Government.

21st. I had received a note from the President requesting me to attend a meeting of the members of the Administration at one. The meeting lasted till five.

I mentioned my wish to prepare a paper to be delivered confidentially to Baron Tuyl, and the substance of which I would in the first instance express to him in a verbal conference. It would refer to the verbal communications recently made by him, and to the sentiments and dispositions manifested in the extract of a dispatch relating to Spanish affairs which he lately put into my hands. My purpose would be in a moderate and conciliatory manner, but with a firm and determined spirit, to declare our dissent from the principles avowed in those communications; to assert those upon which our own Government is founded, and, while disclaiming all intention of attempting to propagate them by force, and all interference with the political affairs of Europe, to declare our expectation and hope that the European powers will equally abstain from the attempt to spread their principles in the American hemisphere, or to subjugate by force any part of these continents to their will.

The President approved of this idea; and then taking up the sketches that he had prepared for his message, read them to us. Its introduction was in a tone of deep solemnity and of high alarm, intimating that this country is menaced by imminent and formidable dangers, such as would probably soon call for their most vigorous energies and the closest union. It then proceeded to speak of the foreign affairs, chiefly according to the sketch I had given him some days since, but with occasional variations. It then alluded to the recent events in Spain and Portugal, speaking in terms of the most pointed reprobation of the late invasion of Spain by France, and of the principles upon which it was undertaken by the open avowal of the King of France. It also contained a broad acknowledgment of the Greeks as an independent nation, and a recommendation to Congress to make an appropriation for sending a Minister to them.

Of all this Mr. Calhoun declared his approba-

tion. I expressed as freely my wish that the President would reconsider the whole subject before he should determine to take that course. I said the tone of the introduction I apprehended would take the nation by surprise and greatly alarm them. It would come upon them like a clap of thunder. There had never been in the history of this nation a period of so deep calm and tranquillity as we now enjoyed. We never were, upon the whole, in a state of peace so profound and secure with all foreign nations as at this time. This message would be a summons to arms—to arms against all Europe, and for objects of policy exclusively European—Greece and Spain. It would be as new, too, in our policy as it would be surprising. For more than thirty years Europe had been in convulsions; every nation almost of which it is composed alternately invading and invaded. Empires, kingdoms, principalities, had been overthrown, revolutionized, and counter-revolutionized, and we had looked on safe in our distance beyond an intervening ocean, and avowing a total forbearance to interfere in any of the combinations of European policies. This message would at once buckle on the harness and throw down the gauntlet. It would have the air of open defiance to all Europe, and I should not be surprised if the first answer to it from Spain and France, and even Russia, should be to break off their diplomatic intercourse with us. I did not expect that the quiet which we had enjoyed for six or seven years would last much longer. The aspect of things was portentous; but if we must come to an issue with Europe, let us keep it off as long as possible. Let us use all possible means to carry the opinion of the nation with us, and the opinion of the world.

Calhoun said that he thought there was not the tranquility that I spoke of; that there was great anxiety in the thinking part of the nation; that there was a general expectation that the Holy Alliance would employ force against South America, and that it would be proper that the President should sound the alarm to the nation. A time was approaching when all its energies would be needed, and the public mind ought to be prepared for it. . . .

22d. I finished the draft of my second dispatch to R. Rush upon Canning's proposals. And there must be yet a third. I also began a written statement of what has passed between Baron de Tuyl and me concerning the intentions of the Russian Cabinet, with a view to transmit copies of it and of the documents to Mr. Middleton and Mr. Rush. Mr. Gallatin was with the President, but withdrew on my going in. I left with the President my draft for a second dispatch to R. Rush on South American affairs. And I spoke to him again urging him to abstain from everything in his message which the Holy Allies could make a pretext for construing into aggression upon them. I said there were considerations of weight which I could not even easily mention at a Cabinet meeting. If he had determined to retire from the public service at the end of his present term, it was now drawing to a close. It was to be considered now as a whole, and a system of administration for a definite term of years. It would hereafter, I believe, be looked back to as the golden age of this republic, and I felt an extreme solicitude that its end might correspond with the character of its progress; that the Administration might be delivered into the hands of the successor, whoever he might be, at peace and in amity with all the world. If this could not be, if the Holy Alliance were determined to make up an issue with us, it was our policy to meet, and not to make it. We should retreat to the wall before taking to arms, and be sure at every step to put them as much as possible in the wrong. I said if the Holy Alliance really intended to restore by force the Colonies of Spain to her dominion, it was questionable to me whether we had not, after all, been over-hasty in acknowledging the South American independence. It had pledged us now to take ground which we had not felt at all bound to take five years ago. At the Congress of Aix-la-Chapelle the allies had discussed what they should do with South America, and we had not even thought of interfering with them. If they intend now to interpose by force, we shall have as much as we can do to prevent them, without going to bid them defiance in the heart of Europe. . . .

25th. I made a draft of observations upon the communications recently received from the Baron de Tuyl, the Russian Minister. Took the paper, together with the statement I had prepared of what has passed between him and me, and all the papers received from him, to the President. . . . The paper itself was drawn to correspond exactly with a paragraph of the President's message which he had read me yesterday, and which was entirely conformable to the system of policy which I have earnestly recommended for this emergency. It was also intended as a firm, spirited, and yet conciliatory answer to all the communications lately received from the Russian Government, and at the same time an unequivocal answer to the proposals made by Canning to Mr. Rush. It was meant also to be eventually an exposition of the principles of this Government, and a brief development of its political system as henceforth to be maintained: essentially republican—maintaining its own independence, and respecting that of others; essentially pa-

cific—studiously avoiding all involvement in the combinations of European politics, cultivating peace and friendship with the most absolute monarchies, highly appreciating and anxiously desirous of retaining that of the Emperor Alexander, but declaring that, having recognized the independence of the South American States, we could not see with indifference any attempt by European powers by forcible interposition either to restore the Spanish dominion on the American Continents or to introduce monarchical principles into those countries, or to transfer any portion of the ancient or present American possessions of Spain to any other European power. . . .

I attended the adjourned Cabinet meeting at the President's, from half-past twelve—four hours. At the President's request, I read the statement of what has passed between Baron Tuyl and me since the 16th of last month, and then my proposed draft of observations upon the communications recently received from him. The President then read the draft of the corresponding paragraph for his message to Congress, and asked whether it should form part of the message. I took a review of the preceding transactions of the Cabinet meetings; remarking that the present questions had originated in a draft which he had presented merely for consideration, of an introduction to the message, of unusual solemnity, indicating extraordinary concern, and even alarm, at the existing state of things, coupled with two paragraphs, one containing strong and pointed censure upon France and the Holy Allies for the invasion of Spain, and the other recommending an appropriation for a Minister to send to the Greeks, and in substance recognizing them as independent; that the course now proposed is a substitute for that, and that it is founded upon the idea that if an issue must be made up between us and the Holy Alliance it ought to be upon grounds exclusively American; that we should separate it from all European concerns, disclaim all intention of interfering with these, and make the stand altogether for an American cause; that at the same time the answer to be given to the Russian communications should be used as the means of answering also the proposals of Mr. George Canning, and of assuming the attitude to be maintained by the United States with reference to the designs of the Holy Alliance upon South America. This being premised, I observed that the whole of the papers now drawn up were but various parts of one system under consideration, and the only really important question to be determined, as it appeared to me, was that yesterday made by Mr. Wirt, and which had been incidentally discussed before, namely, whether we ought at all to take this attitude as regards South America; whether we get any advantage by committing ourselves to a course of opposition against the Holy Alliance. My own mind, indeed, is made up that we ought thus far to take this stand; but I thought it deserved great deliberation, and ought not to be taken without a full and serious estimate of consequences.

Mr. Wirt then resumed the objection he had taken yesterday, and freely enlarged upon it. He said he did not think this country would support the Government in a war for the independence of South America. There had never been much general excitement in their favor. Some part of the people of the interior had felt warmly for them, but it never had been general, and never had there been a moment when the people thought of supporting them by war. To menace without intending to strike was neither consistent with the honor nor the dignity of the country. It was possible that the proposals of Mr. Canning themselves were traps laid to ensnare us into public declarations against the Holy Allies, without intending even to take part against them; that if we were to be so far committed, all the documents ought to be communicated to Congress, and they ought to manifest their sentiments in the form of resolutions and that the Executive ought not to pledge the honor of the nation to war without taking the sense of the country with them.

Mr. Calhoun supported the other view of the question. He said the great object of the measure was to detach Great Britain definitively from the Holy Alliance. Great Britain would not, could not, resist them alone, we remaining neutral. She would fall eventually into their views, and the South Americans would be subdued. The next step the allies would then take would be against ourselves—to put down what had been called the first example of successful democratic rebellion. It was probable that by taking the stand now the Holy Alliance would be deterred from any forcible interposition with South America; but if not, we ought to sustain the ground now taken, even to the extent of war. There was danger in both alternatives; but the immediate danger was light, the contingent one to be averted was formidable in the extreme. It was wisdom in this, as in many of the occurrences of life, public and private, to incur the light hazard for the purpose of warding off the great one. And as this was the wise course, he had no doubt it would be sustained by the people of this country, if the exigency should require it. They would always sustain the wisest course when it was properly explained to them.

He did believe that the Holy Allies had an ultimate eye to us; that they would, if not resisted, subdue South America. He had no doubt they would retain the country in subjection by military force. Success would give them partisans. Violent parties would arise in this country, one for and one against them, and we should have to fight upon our own shores for our own institutions. He was therefore in favor of the President's message with the proposed paragraph. But he thought a copy of it might be delivered to Baron Tuyl, with notice that it was to be considered as the answer to the communications recently received from him. . . .

I said, with regard to the objections of Mr. Wirt, that I considered them of the deepest moment. I was glad they had been made, and trusted the President would give them full consideration before coming to his definitive decision. If they prevailed, neither the paragraph in the message nor my draft would be proper. The draft was prepared precisely to correspond with the paragraph in the message. I did believe, however, that both would be proper and necessary. Not that I supposed that the Holy Alliance had any intention of ultimately attacking us, or meant to establish monarchy among us. But if they should really invade South America, and especially Mexico, it was impossible, in the nature of things, that they should do it to restore the old exclusive dominion of Spain. Spain had not, and never could again have, the physical force to maintain that dominion; and if the countries should be kept in subjugation by the armies of the Allies, was it in human absurdity to imagine that they should waste their blood and treasure to prohibit their own subjects upon pain of death to set foot upon those territories? Surely not. If then the Holy Allies should subdue Spanish America, however they might at first set up the standard of Spain, the ultimate result of their undertaking would be to recolonize them, partitioned out among themselves. Russia might take California, Peru, Chili; France, Mexico—where we know she has been intriguing to get a monarchy under a Prince of the House of Bourbon, as well as at Buenos Ayres. And Great Britain, as her last resort, if she could not resist this course of things, would take at least the island of Cuba for her share of the scramble. Then what would be our situation—England holding Cuba, France Mexico? And Mr. Gallatin had told me within these four days that Hyde de Neuville had said to him, in the presence and hearing of ten or twelve persons, that if we did not yield to the claim of France under the eighth article of the Louisiana Convention, she ought to go and take the country, and that she had a strong party there. The danger, therefore, was brought to our own doors, and I thought we could not too soon take our stand to repel it.

There was another point of view, which the President had in part suggested, and which I thought highly important. Suppose the Holy Allies should attack South America, and Great Britain should resist them alone and without our cooperation. I thought this not an improbable contingency, and I believed in such a struggle the allies would be defeated and Great Britain would be victorious, by her command of the sea. But, as the independence of the South Americans would then be only protected by the guarantee of Great Britain, it would throw them completely into her arms, and in the result make them her Colonies instead of those of Spain. My opinion was, therefore, that we must act promptly and decisively. But the act of the Executive could not, after all, commit the nation to a pledge of war. Nor was war contemplated by the proposals of Mr. Canning. He had explicitly stated to Mr. Rush from the beginning that his object was merely a concerted expression of sentiment, which he supposed would avert the necessity of war; and, as Great Britain was not and would not be pledged, by anything Mr. Canning had said or proposed, to war, so would anything now done by the Executive here leave Congress free hereafter to act or not, according as the circumstances of the emergency may require. With regard to the point made by Mr. Calhoun, my opinion was directly opposite to that which he had expressed. The communications from the Russian Minister required a direct and explicit answer. A communication of the paragraph in the President's message would be no answer, and if given *as* an answer would certainly be very inconsistent with the position that foreigners have no right to notice it, because it was all said among ourselves. . . . I thought as the Holy Alliance had come to edify and instruct us with their principles, it was due in candor to them, and in justice to ourselves, to return them the compliment. And if the people of our country should hereafter know, as they must, how much good advice the Emperor Alexander has been giving us in private, they would not be satisfied to be told that the only return we had made to him for it was to send him a copy of the President's message to Congress. I felt the more solicitude that a direct and explicit answer should be given him, because the Baron in one of his dispatches had intimated that I had expressed not only an earnest desire that we might remain on good terms with Russia, but high opinions of the Emperor's moderation. In

my report of the conferences, I had stated what was said by me, and from which the Baron had drawn his inference. I had told him that, having, while residing at his Court, witnessed the many acts of friendship for the United States of the Emperor Alexander, I had formed sentiments of high respect for his character, and even of personal attachment to him. This was true. I thought better of him than perhaps any other person at this meeting; and I did not believe there was one word in my draft that would give him offence. The avowal of principles connected with the disclaimer of interference in European affairs, of proselytism, and of hostile purposes, could not offend him. I thought it most essential. I was willing to agree to any modification which might be thought advisable, but the distinct avowal of principle appeared to me to be absolutely required. The paper acknowledged that we were aware the monarchical principle of government was different from ours, but it declared that we saw no reason why they should not be at peace with each other, and that we earnestly desired that peace. . . .

TEXAS

By 1832, the tensions between the Mexican government and the American settlers in Texas had provoked the latter to the point of holding a convention and formulating plans to secure relief within the framework of the Mexican Constitution. Since the confirmation of the Austin grants in 1823, Americans had been settling in Texas, where they found cheap land and a local autonomy fairly well assured by their distance from the center of Mexican power. In that same period, the United States had been negotiating for such a westward adjustment of its boundary with Mexico as would bring those Texas settlements into American control.

That diplomatic effort, in conjunction with the growth of the American communities in Texas and their comparative freedom from Indian attacks, roused Mexican suspicion and provoked the restrictive laws of 1830. Though Texas had been exempted from the decree abolishing slavery, the Mexican government forbade further immigration from the United States, established a frontier guard, and attempted to enforce its customs laws, which had been suspended for a six-year period during which Texans were allowed to import goods duty-free. In 1832, the Texan coast was put under martial law, and the Texan ports which had ignored the execution of the customs laws were attacked by a Mexican gunboat.

Faced by the actual enforcement of customs and immigration laws and the activity of a centralizing administration at Mexico City, the Texans resorted to their native remedy for political grievances: they met in convention and drafted a memorial requesting a three-year extension of Texan exemption from the operation of the customs laws, the suspension of the prohibition against American immigration, and a land grant for education. To implement their resolutions, the members of the convention appointed a Committee of Safety, organized a skeleton militia, and dispatched William H. Wharton to carry the convention's memorials to the several states and to the Federal government.

William H. Wharton (1802–1839) had left Virginia for Tennessee when the death of his parents put him under the guardianship of an uncle who lived in Nashville. Wharton completed his education there, studied law and was admitted to the bar. The unfinished business of wooing the daughter of a Texas planter brought Wharton into the new country and, shortly afterwards, marriage established him there. His new family's influence helped win him so prominent a place in local affairs that he was selected to draft the convention's memorial against the Mexican laws of 1830.

Though the Mexican authorities disapproved of the convention movement, the central government was in too turbulent a condition to

make that disapproval felt. When a second convention met in 1833, it chose Wharton its president and drafted a constitution for Texas. The convention sent a representative to secure the Mexican government's approval of the constitution, but he was imprisoned in Mexico City and kept there for eighteen months. Meanwhile tensions increased in Texas; there were armed outbreaks.

All through the winter of 1835–1836, Texans and Mexican troops continued to clash. Meanwhile a Texas provisional government had been organized and commissioners were appointed to seek aid in the United States. As Wharton journeyed northward on his mission, Texans were fighting and dying at the Alamo; they were declaring their independence and indeed making that independence good at San Jacinto. Within a week of this victory, on April 26, 1836, Wharton addressed a New York audience on the wrongs of Texas and the just character of the war she was fighting. The Mexican government never had given Texas adequate protection, he declared, and the continued turbulence in Mexico since her separation from Spain in 1821 proved an "incapability for self-government on the part of the Mexican people." The decrees forbidding further American immigration to Texas were in themselves "sufficient to goad us on to madness," Wharton asserted, but the Texans had behaved with exemplary patience. Oppression had forced them to independence, and their cause was the cause of liberty and justice.

The people who had gathered in New York's Masonic Hall agreed with Wharton. The audience adopted a series of resolutions declaring the "Texians" a "Spartan band" fighting in the Spirit of '76 to "achieve their independence of the tyrannical government of Mexico." A committee of sixteen was appointed to solicit help for Texas and to confer with its agents concerning the best means of furthering the struggle. Thereafter Texas scrip began selling briskly on the New York market and land speculation reinforced patriotic sympathy in making Texas a matter of concern to American interests.

At the end of May, about a fortnight after hostilities had been suspended, Wharton was presenting to President Jackson the case for the annexation of Texas. Later in the year he was appointed Minister to the United States and charged with the task of negotiating for the incorporation of Texas into the Union. Wharton was not to see that project succeed, however, for the accidental discharge of his own gun killed him in 1839.

Wharton's address is reprinted from a pamphlet published in New York in 1836.

An Address Delivered in New York, April 26, 1836

BY WILLIAM H. WHARTON

. . . Mr. Chairman and Gentlemen, at the request of my colleagues I appear before you this evening in their name and in my own, as one of the representatives of suffering Texas, for the purpose of explaining to you the origin of her difficulties and her present position and prospects. It is my intention to address your understandings, and not your sympathies. It will be my earnest endeavour, to convince you that the people of Texas, have been most reluctantly forced into the present contest on account of the violent, illegal and total destruction of that Constitution under the guarantees of which they left the firesides of their Fathers in this happy land, and penetrated a wilderness trod only by savages. So conscious am I of the truth of this position, that I boldly throw down the gauntlet to all the world, and here in your presence, and in the presence of my God, pledge myself to establish beyond refutation, that before we struck a blow in Texas, we had no alternative but slavery or resistance. A charge of ingratitude to Mexico on the part of the Texians has been made by a few who are either ignorant of the true state of facts, or interested in misrepresenting them. In order to refute this foul slander upon our character it will be necessary to unfold to you the origin of the Colonial settlements. It is known to many of you that on the dissolution of the con-

nexion between Mexico, and Spain in 1822, Don Augustin Iturbide, by *corruption and violence*, *established* a short lived *Imperial Government* in Mexico, with himself at the head, under the title of Augustin the 1st. On arriving at supreme power, he found that vast portion of the Mexican Territory east of the Rio Grande, known by the name of Texas in the possession of various tribes of Indians, who not only prevented the populating of Texas, but committed incessant depredations on the Mexican frontier. He ascertained that these savages could neither be subdued by the arms, nor purchased by the gold of Mexico; and that owing to their natural dread of Indians, the Mexicans could not be induced to venture into the wilderness of Texas. In addition to this dread of Indians, Texas held out no inducements for Mexican immigrants. They were accustomed to a lazy pastoral or mining life, in a healthy country. Texas was emphatically a land of agriculture—the land of cotton and of sugar cane, with the culture of which they were generally unacquainted; moreover, they had not that energy and perseverance necessary to combat the hardships and privations of a wilderness. Iturbide finding from these causes that Texas could not be populated with his own subjects, and that so long as it remained in the occupancy of the Indians, the inhabited part of his dominions continually suffered from their ravages and murders, undertook to expel the savages by the introduction of foreigners. Accordingly the national institute or council, on the 3d of January 1823 by his recommendation and sanction, adopted a law of colonization, in which they invited the immigration of foreigners to Texas on the following terms:—

1st. They promised to protect their liberty, property and civil rights.

2d. They offered to each colonist one league of land (4428 acres) for coming to Texas, he paying $30 to the government.

3d. They guaranteed to each colonist the privilege of leaving the empire at any time, with all his property, and also the privilege of selling the land which he may have acquired from the Mexican government (see the colonization law of 1823, more especially articles 1st, 8th, and 20th.) These were the inducements, and invitations held out to foreigners under the imperial government of Iturbide or Augustin 1st. In a short time however the nation deposed Iturbide, and deposited the supreme executive power in three individuals. This supreme executive power on the 18th of August, 1824, adopted a national colonization law, in which they recognized and confirmed the imperial colonization law with all its guarantees of person and property. They also ceded to the different states, all the vacant lands within their respective limits. In accordance with this law the state of Coahuila and Texas on the 24th of March 1825, adopted a colonization law for the purpose, as expressed in the preamble, of protecting the frontiers, expelling the savages, augmenting the population of its vacant territory, multiplying the raising of stock, promoting the cultivation of its fertile lands, and of the arts and of commerce. In this state—colonization law—the promises to protect the persons and property of the colonists, which had been made in the two preceding national colonization laws were renewed and confirmed.

We have now before us the invitations and guarantees under which the colonists immigrated to Texas;—Let us examine into the manner in which these conditions have been complied with, and these flattering promises fulfilled.

The donation of 4428 acres, sounds largely at a distance. Considering, however, the difficulty and danger necessarily encountered in taking possession of those lands it will not be deemed an entire gratuity nor a magnificent bounty. If this territory had been previously pioneered by the enterprise of the Mexican government, and freed from the insecurities which beset a wilderness—trod only by savages—if the government had been deriving an actual revenue from it and if it could have realised a capital from the sale of it—then we admit that the donation would have been unexampled in the history of national liberality. But how lamentably different from all this was the real state of the case.

The lands granted were in the occupancy of savages, and situated in a wilderness of which the government had never taken possession, and of which it could not with its own citizens, ever have taken possession, and they were not sufficiently explored to obtain that knowledge of their character and situation necessary to a sale of them. They were shut out from all commercial intercourse with the rest of the world, and inaccessible to the commonest comforts of life; nor were they brought into possession and cultivation by the colonists without much toil and privation, and patience and enterprise, and suffering and blood, and loss of lives from Indian hostilities, and other causes. Under the smiles of a benignant heaven, however, the untiring perseverance of the colonists triumphed over all natural obstacles, expelled the savages by whom the country was infested, reduced the forest into cultivation and made the desert smile.

From this it must appear that the lands of Texas,

although nominally given, were in fact and in reality dearly bought. It may be here premised that a gift of lands by a nation to foreigners on condition of their immigrating and becoming citizens is immensely different from a gift by one individual to another. In the case of individuals, the donor loses all further claim or ownership over the thing bestowed. But in our case, the government only gave wild lands that they might be redeemed from a state of nature; that the obstacles to a first settlement might be overcome, and that they might be placed in a situation to augment the physical strength, and power, and revenue of the republic. It is not evident that Mexico, before the present revolution, held over the colonized lands of Texas, the same jurisdiction and right of property which all nations hold over the inhabited parts of their territory. But to do away more effectually the idea that the colonists of Texas are under great obligations to the Mexican government for their donations of land, let us examine at what price the government estimated the lands thus given.

Twelve or thirteen years ago, they gave to a colonist one league of land for settling in Texas, he paying the government $30, and last year (1835) they sold hundreds of leagues of land for a less price to undomiciliated foreigners. A true statement of facts then, is all that is necessary to pay at once that debt immense of endless gratitude which in the estimation of the ignorant and the interested, is due from the colonists to the Mexican government. It is perfectly evident that the colonists, in paying the government price for their lands, in expelling the savages, protecting the frontiers, redeeming the wilderness, and in augmenting the physical strength and resources of the nation, have rendered a full compensation for all that they obtained from Mexico. I pass over the toil, and sufferings, and dangers which attended the redeeming and the cultivation of their lands by the colonists, and turn to their civil condition since their connexion with Mexico. We have never known what quiet and security *were* since we have been in Texas. To make this more plain, I will briefly relate the bloody and revolting history of the late Mexican Republic. On the establishment of the Independence of Mexico, in 1822, Gen. Iturbide, by fraud and force, caused himself to be proclaimed emperor. He was soon dethroned and banished. He returned, however, from his exile, and was put to death. This being over, Victoria was elected president, during all of whose term of service, the country was torn to pieces by civil wars and conspiracies, as is evidenced by the rebellion and banishment of Mentuno, Bravo, and others. Victoria served only four years, and General Pedraza, was elected his successor,—but he was dispossessed by violence, and Guerero put in his place. Guerero was scarcely seated before Bustamente, with open war deposed him, put him to death and placed himself at the head of the government. Bustamente was hardly in the chair before Santa Anna dispossessed him by deluging the country with a civil war; which, after strewing the plains of the noble state of Zacatecas with her murdered citizens—murdered, only because they contended for their constitution—has rolled on with unglutted vengeance and cannibal ferocity to the shores of Texas —there—to complete the work of massacre and desolation. This, in a few sentences, is the history of Mexico during the fourteen years of her independence, and what is it but an unbroken history of treachery—of violence—and of blood? Can the same amount of crime and carnage be called and collected from one hundred years of the history of any other Christianized people? No! it would be impossible! I put it to your candor and republicanism, gentlemen, to say, if the *incapability of self-government* on the part of the Mexican people which is demonstrated by these incessant revolutions—if the insecurity of person and property—and the violation of all law and order which follow as the unavoidable consequences of such commotions—would not have justified the people of Texas in establishing an independent government, better calculated to promote their security and happiness? To this question, there can be but one answer given by the descendants of the sages and soldiers of '76.

Again, it will not be denied in this land of liberty, that *allegiance and protection are reciprocal*, and that when a state ceases to protect its inhabitants their allegiance simultaneously ceases. Mexico has never afforded the colonists a shadow of protection. When the colonial settlements commenced, Texas was in the occupancy of various tribes of Indians, who committed continual depredations and inhumanly murdered many of the most useful and respectable of both sexes. Not a Mexican soldier ever aided in expelling these Indians—not a gun, nor an ounce of ammunition was furnished the colonists; and not a dollar was paid them for their services. Again, the Mexican government has for years past exhibited a determination to annihilate the colonial settlements. I pass over many minor evidences of this diabolical determination, and come to the law of 6th of April, 1830. By this law, North Americans, and they alone, were forbidden admission into Texas. This was enough to blast all our hopes, and dis-

hearten all our enterprise. It showed to us that we were to remain, scattered—isolated—and unhappy tenants of the wilderness. Compelled to gaze upon the resources of a lovely and fertile region, undeveloped for want of population. That we were to be cut off from the society of fathers and friends in the United States of the North—to prepare comforts suited to whose age and infirmities, many of us had immigrated and patiently submitted to every species of privation, and whose presence to gladden our firesides we were hourly anticipating. That feature of this law, granting admission to all other nations except our brethren of the United States of the North, was sufficient to goad us on to madness. Yes, the door of immigration to Texas was closed upon the only sister republic worthy of the name, which Mexico could boast of in this new world. . . . [In 1835, by decree, the Mexican government virtually put an end to the state governments.]

In order the more effectually to prevent all resistance to this unholy, revolutionary and central despotism, the same congress, prior to the decree of October 3d, enacted that the whole population should be disarmed, leaving only one gun to 500 citizens. Against these tyrannical proceedings, the legislature of Coahuila and Texas protested.

That body was immediately dispersed by the troops of the despot. The governor in his flight was overtaken and imprisoned. It was the misfortune of the lamented *Milam*, who was at this time returning from the seat of government to his home in Texas, to be found in company with the governor. For this, in their estimation, dreadful offence, and for no other assigned or assignable one, he too, was thrown into confinement. After several months of imprisonment, he was enabled to effect his escape, and he immediately started for Texas. In order to elude the pursuit of his merciless enemies, he travelled six hundred miles without a road, prosecuting his journey in the night, and secreting himself during the day. Throughout this dangerous and protracted journey, he subsisted alone on some few articles of food which he contrived to obtain on his escape from confinement, for he dared not show his face at any habitation.

Early in October last, near the town of Goliad, in Texas, his attention was aroused by the approach of soldiers. He at first, naturally enough conceived that he was overtaken by his enemies, and knowing that if he fell again into their hands, he would be subjected to death or endless imprisonment, although as one to fifty, he prepared to sell his life as dearly as possible.

How did his heart rebound, however, when on their nearer approach, he discovered that these soldiers were his Texian countrymen, on their march to storm the Mexican garrison at Goliad? They furnished him with some clothing, of which he was almost destitute, and with food, for the want of which he was nearly famished. In a few moments he joined the little band, and as some small revenge for the injuries, so causelessly and cruelly inflicted on himself, he had the satisfaction to be among the first and foremost in storming and capturing the garrison of Goliad. This being over, although he had been raised in the army of the United States, and was accustomed and qualified to command, yet by way of example, he entered into the ranks, and cheerfully discharged all the duties of a common soldier, until a few days previous to his final catastrophe. On the evening of the 4th of December last, he stepped forth from the ranks, and beat up for volunteers to storm the castle of San Antonio. His call was not unattended to. A Leonidas band of about three hundred placed themselves under his command, and on the night of the 5th of December, they entered the town to attack a garrison of more than five times their own numbers, who were also protected by forts, walls, houses, ditches, and twenty pieces of artillery. They entered the town, however, with the determination of soldiers, "to conquer or to die."

For six successive days and nights, did they grapple with the enemy. The life of their dauntless leader, was the price of his triumph. Yes, he was destined, like Wolfe and Pike, "to sleep the sleep of death in the arms of victory." Of the other unconquerable spirits who perished in the late massacre at San Antonio, it would seem invidious not to speak. The gallant Travis was cut off in the flower of his life. He was accomplished and dignified in his deportment, and collegiately and legally educated. Bowie is a name that was synonymous with all that was manly and indomitable in the character of man. Col. Bonham was a native of South Carolina, he lately acted as aid to Governor Hamilton, and has not left a more chivalrous gentleman behind him. Of Col. David Crocket, it is unnecessary here to speak. He was known, at least by character, to all of us. Suffice it to say, that although the world has been often amused with his innocent eccentricities, no one has ever denied to him, the character of a firm and honest man—qualities which would cancel ten thousand faults if he had them. . . .

I trust, gentlemen, that I will be pardoned for this digression. It was prompted by my own irrepressible feelings of gratitude, for they poured out their blood in defence of *my* rights, and in

defence of the great principle of *human liberty*, in the establishment of which, all mankind are deeply interested.

You have now seen, gentlemen, that our constitution has been violently, illegally, and totally destroyed. You have seen that, superadded to this, our governor has been deposed and imprisoned, our legislature dispersed, and all the subaltern officers of our state, made dependent on the supreme government alone, instead of, on the suffrages of the people. In short, you have seen that our federative form of government has been converted into a central, consolidated and military despotism, enforced and administered by bayonets alone. Now, mark the forbearance of the people of Texas! Even after all these outrages on their rights, they did not rise in arms, and make an appeal to the God of battles, for justice and redress of their wrongs. They still hoped that the Mexican nation would have the firmness and patriotism to crush this military despotism, before the practical evils of it had reached the distant shores of Texas. In this hope, they were cruelly deceived. In the month of September last, a Mexican armed schooner appeared off our coast, and declared all of our ports in a state of blockade. Simultaneously with this General Coss invaded our territory by land. . . . About the same time a military force was sent to the colonial town of Gonzales, to demand of the inhabitants a surrender of their arms. This demand was refused with the promptness and indignation of freemen. A battle immediately ensued on the 28th September last, which terminated in the discomfiture and precipitate retreat of the Mexican forces. Gonzales was then the Lexington of our struggle, and the same cry of injured and insulted liberty, which from the blood of the slain at Lexington and Bunker's Hill ascended to high Heaven, and penetrated every corner of this land rousing the inhabitants to avenge their slaughtered countrymen, flew with electrical rapidity, after the battles of Gonzales and St. Antonio, over the beautiful and hitherto peaceful plains of Texas. The inhabitants promptly responded to its summons. They felt now that farther forbearance would be a crime.—That the cup of their bitterness was full to overflowing.—That the rod of oppression had smitten sufficiently severe, and that they could no longer submit without relinquishing for ever the glorious appellation of freemen. Accordingly they rallied around the standard of their country, from the hoary veteran of more than sixty, down to the beardless youth who had scarcely numbered a dozen years. All were animated with the indomitable spirit of "76." Yes! in the language of the martyred Emmet, all were determined that the "last intrenchment of liberty should be their graves." That this godlike resolve *has* been and *will* be fulfilled, the blood and martyrdom of a Milan, a Travis, a Bowie, a Crockett, a Bonham and their brave compatriots have rendered as plain to every understanding, as if it "were written in sunbeams on the face of heaven."

And here gentlemen, I would again turn your attention to the forbearance of the people of Texas. Even after their territory had been invaded, battles had been fought, and victory had perched upon their standard—even after all this, they did not declare their independence. No, on the 7th of November last, while flushed with various and signal triumphs over the central mercenaries, the people of Texas, in solemn convention, declared for the constitution of 1824, and pledged themselves to aid with their fortunes and their lives in its restoration. On the second of March, however, finding that all parties in Mexico had united against them, that the constitution had been forgotten, and that they could hope for no aid in restoring it, they then declared their absolute independence. This they were compelled to do by *self preservation*, which is above all human law, above all human constitutions, above every thing, that does not emanate from the throne of God himself!

Of what has transpired since the commencement of this contest, you, gentlemen, have been apprized through the public journals. Of one fact, however, you may be assured: *Mexico can never conquer Texas!* We may be *exterminated*, but we never can be *conquered*. But I have gone too far in this admission. *We cannot be exterminated!* The ultimate triumph of our cause is as certain, as that the sun will continue to illuminate the universe. Like the sun itself, it may be temporarily obscured by passing clouds, but it will again burst forth with its all-dazzling and undying effulgence. The justice and benevolence of God, will forbid that the delightful region of Texas should again become a howling wilderness, trod only by savages, or that it should be permanently benighted by the ignorance and superstition, the anarchy and rapine of Mexican misrule. The Anglo-American race are destined to be for ever the proprietors of this land of *promise* and *fulfilment*. *Their* laws will govern it, *their* learning will enlighten it, *their* enterprise will improve it. *Their* flocks will range its boundless pastures, for *them* its fertile lands will yield their luxuriant harvests; its beauteous rivers will waft the products of *their* industry and enterprise, and *their* latest posterity will here enjoy legacies of "price unspeakable," in the possession of homes fortified by the genius of liberty,

and sanctified by the spirit of a beneficent and tolerant religion. This is inevitable, for the wilderness of Texas has been redeemed by Anglo-American blood and enterprise. The colonists have carried with them the language, the habits, and the lofty love of liberty, that has always characterized and distinguished their ancestors. They have identified them indissolubly with the country. Yes! they have founded them on a basis, which, without being a prophet, I venture to assert will be codurable with the liberties of this land of *Washington*. I repeat it again. Mexico can never conquer Texas. . . .

But, gentlemen, Texas requires immediate pecuniary aid in order to feed and clothe her gallant soldiers, and thereby accomplish at once, what must necessarily be her *ultimate* destiny. Without this pecuniary aid a *temporary* triumph of despotism over liberty will take place. Without it, the darkness of midnight will glitter with the blaze of her dwellings, her soil will drink the blood of her bravest citizens, and the air be rent with the wailings of the widow and the fatherless. *Will they, can they*, who generously and promptly responded to and relieved the sufferings of Greece and Poland turn a deaf ear to their imploring brethren of Texas? Shall suppliant Greece and Poland be heard and aided, and the blood of Texas "sink in the ground?" Shades of our ancestors forbid it! Forbid it heaven! Gentlemen, again and again I appeal to you for succour. I feel it a glorious occupation to plead in so noble a cause. I invoke you by every principle of honour, by every feeling of humanity, by every obligation of blood, by your devotion to liberty, and your detestation of oppression, to step nobly forward, entitle yourselves to the prayers and blessings of the distressed, and embalm your names in a nation's gratitude. Do honor to the memories of your departed ancestors—do honor to this consecrated land of your birth—do honor to the *Anglo-Saxon American* race—do honor to the enlightened age in which we live—do honor to the sacred cause in which we are embarked, and more especially do honor to this great commercial metropolis, New-York, and enable her future historian to say, with truth and exultation, that although the sails of her commerce whiten every sea, and the *hum* of a million animates her streets, yet that her generous ardour and munificence in the cause of liberty and bleeding Texas, constitute for her a renown, far more imperishable and dear to the soul.

I will turn your attention for a moment, gentlemen, to the intrinsic resources of Texas. Its soil is unsurpassed by that of any country on the face of the globe, and its climate is equalled only by that of Italy. It is situated within the cotton and sugar region, intersected by numerous navigable rivers, and bounded on one side by the Gulf of Mexico, on which there are bays and harbours well adapted to all the purposes of commerce. It contains at present a population of about 70,000, composed of bold and enterprising men, devotedly attached to liberty and at all times ready to defend their homes *inch by inch* if necessary. In short, Texas is larger than England or France, and susceptible of a greater and denser population.

Mr. Chairman and gentlemen, our inhuman oppressors not content with enslaving the body, also endeavour to enslave the *conscience*. They require us to subscribe implicitly to all the *dogmas* of a particular religion without reference to our feelings or our creed. Can we submit to this? Will not prayers for our success in a cause so righteous ascend to heaven from every temple of God throughout this land? Did not our fathers of the American revolution contend as well for religious as for civil liberty? Did they not fight, and bleed, and conquer to establish the sacred principle that all men have a right to worship Almighty God according to the dictates of their own consciences. And shall we, to whom this glorious inheritance has been left, basely surrender the blood bought privilege at the nod and command of an earthly tyrant? Perish! perish for ever the hateful thought.

My feelings will not permit me, gentlemen, to dwell upon the brutal atrocities and cold blooded massacres of the Mexican army. It is too evident to require argument, that in the refusal of quarter and in hoisting the red flag, the inhuman despot, Santa Anna, has *denationized himself*. That he now stands before the world as a pirate—the common enemy of mankind. That he has offered an insult to every civilized nation, and has made it their imperious duty to check his blood stained career. But those martyred patriots have not fallen in vain. Although their blood has been swallowed by the sands of that field of death, and their ashes have been scattered by the whirlwinds of heaven, yet the *light* of their funeral pyre will gather together the sons of liberty who will teach these *Mexican murderers* that the *Anglo American race* in a cause so sacred, can never die unhonoured and unrevenged.

Part Five

THE IMPENDING CONFLICT

INTRODUCTION

1. CONTINUED EXPANSION

Population Growth. The processes of expansion, begun so energetically after the termination of the War of 1812, were continued with unabated zeal during the forties and fifties. Internal migration pushed the frontier west of Iowa, Missouri, and Kansas, and into central Minnesota on the north and central Texas on the south; while another frontier, moving eastward from the Pacific Coast, was helping fill the California valleys. Aided by roads, canals, and the young railroads, Americans were on the march. The good times that followed the end of the 1837–43 depression encouraged the further construction of public works; the rise in prices prompted the opening up of new lands to wheat, corn, and cotton, and to cattle raising; and England's increasing dependence upon American grains—particularly after the repeal of the Corn Laws in 1846—assured the prosperity of our agriculture.

Public policy encouraged movement and growth. Policy—as well as the temper of the American people—was flamboyant, aggressive, in the eyes of Europeans even vulgar. It was our "manifest destiny" to possess and fill the whole continental domain from sea to sea. We fought Mexico and acquired the huge Mexican cession; obtained Oregon; arranged to control, along with England, the right of way across the Panama Isthmus; threatened to establish our interest in the Caribbean; did so in the China Sea; and forced open the locked door of Japan to our seamen and our ships. Our immigration policy was neither restrictive nor exclusionist: foreigners were gladly welcomed to our shores as refugees from political terror and economic oppression in Europe. We gave asylum to men like Garibaldi and Kossuth, who stayed only temporarily, and we encouraged the Irish—fleeing famine and cruel land laws—and the Germans—escaping from confining mercantilist regulations—to emigrate and live with us. The Germans, notably, brought capital and the mechanical arts with them, and they moved out to the Middle West to establish themselves as farmers and small manufacturers. In 1840 America's inhabitants totaled 17,000,000; in 1850, 23,000,000; in 1860, 31,000,000. The increase was 35 percent from 1840 to 1850 and 36 percent from 1850 to 1860.

The growth of cities during this period was phenomenal; and now the beginnings of industrialization were making them production as well as mercantile centers. In 1840, as has been said, only 8.5 percent of America's population lived in settled communities of 8,000 or more people; by 1850, the proportion had grown to 12.5 percent; and by 1860, to 16.1 percent. In 1860, New York City had 814,000 inhabitants, Philadelphia 566,000, Brooklyn 279,000, Baltimore 212,000, Boston 178,000. The towns of the Western rivers and lakes became thriving cities in less than a generation: Cincinnati grew from a population of 9,600 in 1820 to 161,000 in 1860; St. Louis, from 16,000 in 1840 to 161,000 in 1860; Chicago, from 4,000 in 1840 to 109,000 in 1860. Everywhere but in the South this process continued: urbanization was a sign of progress, as it made possible the expansion of mercantile and industrial enterprise, the increase in ground rent, and the gathering together of a laboring population. With city growth came city slums and their accompaniments of poverty and delinquency. But with cities came the start of municipal public services and great advances in education.

Immigration. Immigrants added to the American population; more than that, they came young and they came in families. They also came hopeful of achieving new fortunes in America. Marriages, in the cities and in the country, took place at youthful ages and families were large. During the decade of the forties, 1,700,000 Europeans arrived in America; during the fifties, 2,600,000. The Irish and the Germans constituted by far the largest groups. Irish immigration became a flood after the potato crop failures of the late forties; so did German immigration after the collapse of the Revolutions of 1848 in central Europe.

The Irish came to Boston and New York as unskilled laborers and they also trooped into the construction camps of roads, canals, and railroads during the forties and fifties. Many moved out to the country as farm hands, and ended by becoming freeholders in the Middle West. By 1860, there were 1,500,000 native-born Irish in the United States. The Germans came to New York and Brooklyn and moved out to Cincinnati, Milwaukee, and St. Louis. They settled in cities and they settled on farms, and because they were middle class from the beginning they had an immediate effect on the American economy and American politics. By 1860, there were at least 1,000,000 native-born Germans in the country.

England, Wales, and Scotland continued to send immigrants—as skilled weavers, iron-workers, coal miners—but their flow was tapering off because living conditions for workers and the lower middle classes were improving in the British Isles. French Canadians were beginning to appear—and settle in the New England mill towns. And there were Dutch, Belgian, and Swiss immigrants who went out as farmers into Michigan, Wisconsin, and Iowa and quickly prospered as dairy cattle and hog raisers. By 1860, almost 13 percent of America's population was foreign born and 14.4 percent of its population was Negro.

Nativism. Immigration led to nativistic movements, as it had during the thirties. There was no competition for the job, for Americans were glad to turn over the unskilled tasks to the foreigners: it made possible the improvement of standards of living of the native-born at the expense of the newcomers. But some Americans resented the loyalty, particularly of the Irish, to the Catholic Church; they resented the poverty of the immigrants, and the fact that they quickly entered municipal politics as Democrats. The Know-Nothing movement, calling itself the Native American party and using the slogan "America for Americans" appeared, particularly in those states where foreigners were to be found in large numbers. It flourished during the fifties; met with local successes politically in 1854 and 1855; entered a national ticket in the presidential campaign of 1856, and many Republicans flirted with it during the next four years. But by 1860 the movement had spent itself: the country was prosperous and it needed the foreign laborers; Republicanism turned to the Middle Western Germans for support and boldly faced the slavery question; the Know-Nothings themselves had proved inept as political leaders. Nativism was a recurrent phenomenon in America, but such agitations never lasted, for Americans were equalitarians and individualists at heart, being unable to stand, for any length of time, mass discrimination or manipulation by demagogues.

The Mexican War. The war with Mexico and the acquisition of California and the vast Mexican territory in the Southeast were incidents of the expansion movement. The slavery question (as we shall see in greater detail below) played its part. Texas had continued its pressure for annexation; the Northern antislave societies were talking wildly of secession if this were to occur; while the Democrats, more and more now being controlled by the Southern slave interests, were preparing themselves grimly to accept the challenge. In 1844, they passed over Van Buren and turned to James K. Polk as their candidate. Polk was an out-and-out expansionist and an-

nexationist—he spoke of the "reoccupation of Oregon and the reannexation of Texas"—and he easily defeated Clay, the Whig candidate, in the campaign. Tyler, still President, and a Southerner, pushed through the joint resolution for the annexation of Texas, as has already been noted.

Texas annexation meant war. The Mexicans had threatened it if Texas was to be absorbed into the United States and Polk, apparently, was prepared to risk hostilities. War broke out in 1846 as American troops pushed into disputed territory lying between the Nueces and Rio Grande rivers. This American army was under the direction of General Zachary Taylor. Another American army, under the command of General Winfield Scott, was sent to move into the heart of Mexico, while a third, led by Colonel Stephen Kearney, was directed to invest California. The war was attacked by the Whigs and the Abolitionists; by and large, particularly in the South and West, Americans approved. Taylor was successful in the North; Scott reached Vera Cruz in March, 1847, and entered Mexico City in September; and Kearney, starting from Ft. Leavenworth, took first Santa Fé and then defeated the Mexicans in California.

In February, 1848, the Treaty of Guadalupe Hidalgo was signed and Mexico, for $15,000,000, turned over to the United States the area between the two southern rivers of Texas, New Mexico, and California. In 1853, by the Gadsden Purchase, an additional piece of Southwest territory along the southern border of present-day Arizona was acquired from Mexico to make possible the building of a Pacific railway south of the mountains. Not only Texas but California, too, now was ours, and the latter was quickly settled by Americans attracted by the discovery of gold in 1848. Before two years were over, 100,000 Americans had thronged into California and in 1850 it was admitted into the Union.

Oregon. Americans, at the end of the eighteenth century, had established a foothold on the Columbia river, as they hunted otter pelts for shipment to the China trade. The British had come into the Oregon country, too; but prior to the forties American settlements were few. Missionaries, traders, and land speculators were becoming interested in the region and Polk, taking advantage of the clamor, decided to challenge the British. In the campaign of 1844, the Democrats had raised the slogan of "Fifty-four Forty or Fight"—in other words, they claimed for the United States the whole of the Oregon territory. The British resisted and finally, in 1846, a settlement was effected under which the Forty-ninth Parallel was made the northern boundary of the United States. We got the whole rich Columbia river valley while the British kept Vancouver Island.

Utah. In the forties also began the Mormon trek into Utah. This religious sect, founded by Joseph Smith of New York in 1830, because of its clannishness had been harried by its neighbors until it decided to move westward. A large company established itself first in Missouri and then in Illinois. Finally the Mormons, having espoused polygamy and now under the leadership of Brigham Young, agreed to quit "gentile" society altogether; they would settle in the American desert where they could erect their churches and agricultural communities unmolested. In 1847, the Mormons first entered the Salt Lake Valley and before long their great agricultural skills had converted the arid region into a rich settlement. The Mormons accepted the domination of their church leaders in economic as well as religious affairs; they clung stubbornly to polygamy; they were becoming wealthy. All this created antagonism and it was not until 1896—after polygamy had been formally abandoned—that Utah was admitted into the Union.

2. ECONOMIC GROWTH

American Fortunes. The processes of industrialization, which had been started in one region and one industry during the previous twenty years, were resumed in the forties and fifties. There were great advances; but, by and large, the American economy continued a mercantile one. New York, Philadelphia, and Baltimore, preeminently, were concerned with trade and its financing; the same was true of the growing Western centers of Chicago, St. Louis, and Cincinnati. Nothing reveals this better than the sources of private fortunes. New York men of wealth were merchants, bankers, and urban real estate operators (shipping men, like Cornelius Vanderbilt and George Law, were just beginning to emerge); the same was true of Philadelphians. In Boston, persons of fortune had somewhat more diversified interests: they financed banks and mortgage companies; they owned cotton mills; they were behind Western rail construction. But by the outbreak of the Civil War, a fortune of $500,000 was large and one of $100,000 commanded respect. That is not to say there were no millionaires. In the fifties there were reputed to be twenty-five millionaires in New York, eighteen in Boston, and nine in Philadelphia. John Jacob Astor—the richest man of his day—left $20,000,000 when he died in 1848. In another fifty years, when Andrew Carnegie sold his steel interests to the United States Steel Corporation, he was worth $500,000,000; and John D. Rockefeller was worth probably twice that when he retired from active management of his oil companies.

Nevertheless, industrialization was getting off to a real start in America, particularly by the middle forties. Again excepting cotton textiles, plants were small and individual capitalizations modest. There were no attempts at integration and few corporations. An iron mill did not own its own fuel deposits or forges and furnaces. A clothing factory was as likely as not to operate on the home-work basis. Carriages and carts were being made in small carpenter shops and as a rule for the custom trade. In the case of manufacturing—right up to the nineties—companies were privately owned or run by partners, and capital for plant expansion was obtained from personal savings. Undoubtedly banks assisted from time to time, but incorporation was not characteristic.

Mechanization. We are to see small beginnings, many failures—and yet an accumulative effect that was impressive. In the first place, Americans contributed to the invention and perfection of labor-saving devices—necessitated by high labor costs. Goulding's "American Card," which speeded the mechanization of the woolen textile industry, was patented in 1826; the carpet weaving loom followed in 1841; the harvester in 1841, the sewing machine and the rotary press in 1846. Standardization of parts appeared early in the United States; and machinery for the manufacture of locks, watches, small arms, wood products, and metal products were devised and used. Productivity was stepped up, particularly in the wood and metal goods industries; but again, plants were small and failures frequent. Interestingly enough, this last was due to faulty accounting methods as the single outstanding cause; no provision was made for depreciation, interest, and insurance so that large profits frequently were illusory.

Some statistical evidences of expansion may be cited. Between 1840 and 1860 the number of spindles per mill in cotton textiles increased from 2,000 to 5,000, while the average number of employees per establishment in woolen textiles increased from 15 to 33. Iron rail production increased from 24,000 tons in 1849 to 205,000 tons in 1860.

Relative Industrial Backwardness. Despite all this activity, industrial production still lagged far behind agriculture. The census of 1880,

analyzing manufactures retrospectively, was able to say: "It seems probable that until about the year 1850 the bulk of general manufacturing done in the United States was carried on in the shop and the household by the labor of the family or individual proprietors, with apprentice assistants, as contrasted with the present system of factory labor, compensated by wages and assisted by power."

The immaturity of the country's coal and iron industries—the key to industrialization—demonstrates the position of the United States. In 1855, with about equal populations, Great Britain produced five times as much coal as we did: 66,000,000 to 12,000,000 tons. The same ratio existed in the case of pig iron: 3,500,000 to 700,000 tons. While American iron rail production increased, in 1860 one half of our rolled iron still came from Britain.

The appearance of the railroads, particularly during the fifties, contributed mightily to the processes of industrialization. Railroad building and operation were linked with the iron (and later steel) and coal industries; railroads expanded markets; railroads opened up agricultural lands to farm machinery. Victor S. Clark showed [1] that the spread of the railroad net was followed by a decline in home production; for per capita homespun manufactures decreased as the ratio of railway mileage to the areas of states increased. From 1840 to 1860, the per capita average of household manufactures dropped from $1.59 to $.79.

The Spread of the Railroad Net. Up to the fifties, railroad construction was largely on a local basis; it was financed quite often by public subscription for patriotic reasons. Lines were short; they were built as feeders to waterways; they were laid down to attract water-borne traffic away from municipal rivals. In the thirties, financial assistance to early builders was given by the states of Maryland, Massachusetts, Pennsylvania, and Michigan; and these early stock subscriptions, as a rule, ended in unsuccessful ventures. In 1840, there were 3,000 miles of rail in the country; the total capitalization was only $75,000,000. In 1850, mileage was 9,000 and capitalization $300,000,000. In 1860 mileage was 30,000 and capitalization $1,000,000,000.

Through lines did not make their appearance until the fifties; a single unified trunk line, the Illinois Central, was not completed until the end of the decade. As late as 1850, the average length of the New England railways was only 36 miles. Not until 1847 were New York and New Haven linked by rail. But by the end of the fifties construction had made such progress that Boston and Albany were joined; and so were Albany and New York, Albany and Buffalo, Detroit and Chicago, Cleveland and Cincinnati, Savannah and Atlanta.

The Illinois Central. In 1850, Illinois—long harassed by heavy public debts incurred by the overexpansion of roads and canals—turned to Congress for relief. Until transportation facilities were provided, the state could not fill up with farmers, and its debts could not be paid off. Land speculators, urban and rural (Stephen A. Douglas among them) were interested for personal reasons. Congress complied; and in thus doing set a pattern that was followed during the next two decades and that helped in the construction of the great Pacific railroads of the United States. Congress approved of the building of a line from Chicago clear down to Mobile, setting aside a total of some 2,500,000 acres of the public domain as a subsidy to the railroad company. These lands were to be made up of the alternate even sections (a section is a square mile, or 640 acres) on each side for six miles in depth along the railroad's right of way. They were turned over in trust to the states of Illinois, Mississippi, and Alabama. As parts of the railroad were completed, the land grants were handed over to the company.

A group of New England and New York merchants—now out of the China trade and seeking new fields for investment—obtained the charter for the Illinois Central Railroad

[1] V. S. Clark, *History of Manufactures in the United States, 1607–1800* (2 vols., New York, 1916), I, 352.

from the Illinois legislature. English capital also was brought in, attracted by the land grants whose sale presumably would help in paying the costs of construction. Building was begun at once and in six years the 700 miles of line were laid down at a cost of $16,500,000. But English bondholders were called on again and again for assistance by assessments on their stock (which had been thrown in); and it was not until after the Civil War that the Illinois Central was realizing sizably from land sales and operations. Nevertheless, a single company was demonstrating the possibility of successful operation of a great trunk railroad. In the sixties, the Pacific railways had an example to follow.

The Panic of 1857. In 1843, prices turned upward and until 1873, except for recessions in 1854 and 1857, continued to rise, moving up sharply during the Civil War years. The growing demand for American foodstuffs abroad undoubtedly helped, and perhaps also the great production of gold as a result of the California and Australia discoveries. American business steadily improved and while there were cyclical fluctuations during these years the periods of prosperity lasted longer than those of depression. But, as in earlier America, too much capital was involved in speculation: in land-jobbing and railroad building, and in stock-market and commodity speculation. The presence of wildcat banks and the great increase in monetary circulation undoubtedly aided the process. In 1843, total money in circulation was $147,000,000 ($7.87 per capita); by 1857 this had increased to $457,000,000 ($15.81 per capita). Federal land sales grew enormously, from less than 2,000,000 acres a year to more than 15,000,000 acres in 1855. When the bubble burst, in 1857, perhaps as much as $1,000,000,000 was invested in Western wild lands and in undeveloped town lots. Meanwhile, New York merchants had been speculating in commodities because of good prices and steady European demand; and the onset of recession caught them with overstocked warehouses and the banks—which had been financing them as well as security speculation—in illiquid form.

The panic broke out in New York in August, 1857, and was followed by a round of failures as New York banks called in their loans and demanded settlements from country banks in specie. Distress spread to Philadelphia and the Middle West—hitting Chicago with particular severity—and in the affected regions (the South and California remained untouched) prices dropped and unemployment followed. Businessmen began to scrutinize critically the institutional world in which they functioned. There was a fictitious and uncontrolled currency; there was no protection for infant industries, for the tariff laws of 1846 and 1857 had pushed rates even lower than the schedules of 1833. More and more businessmen were paying heed to the strictures of protectionists like Horace Greeley of New York and Henry C. Carey of Philadelphia. Carey was pointing out that the country had prospered in 1815, 1834, and 1847 "the closing years of the several periods in which the policy of the country was directed toward . . . protection." To such persons, the new Republican party—in part assuming the heritage of the Whigs—was making a very real appeal.

3. THE WORLD OF THE WORKERS

Utopianism. The hard times following 1837 had swept out with them workingmen's parties and the first crude craft unions formed on local and national lines. There were few voices left to speak for the once organized journeymen and skilled mechanics; and only an occasional one for the cotton and woolen textile workers. During the forties and early fifties, Utopianism, imitating European models, held the stage. The Utopians were middle

class intellectuals who were impatient with or even hostile toward trade unions; social reform and betterment were to come through a retreat into agrarian and handicraft cooperation with the profit motive eliminated. Curiously enough, capitalists were to be called upon to help in the creation of such communities. Robert Owen, the Comte de St. Simon, Pierre-Joseph Proudhon, Charles Fourier were the great European theoreticians of the Utopian Socialism of the day. In fact, two of the Utopians—Robert Owen and Étienne Cabet—came to America to establish communities, the first at New Harmony, Indiana, and the second in a series of settlements in Texas and Illinois. All failed.

Americans, too, tried their hand at such ventures. The most famous was Brook Farm, a small colony outside Boston, which was founded by New England intellectuals in 1841. The most extraordinary was that at Nashoba, Tennessee, founded by Frances Wright and designed to carry out "the Wright Plan for the Gradual Abolition of Slavery in the United States Without Danger of Loss to the Citizens of the South." The most common were the so-called Phalanxes, modeled after the elaborate plans of the Frenchman Charles Fourier and his American disciple Albert Brisbane. While a number of such communities were started and uniformly ended unhappily, it is important to note that the preachments of the Utopians caught the attention of the American workers of the forties. So-called workingmen's societies listened carefully to lectures by Brisbane, Greeley, and other Fourierists and seriously discussed the curious psychology of the master.

Land Reformers also had the ear of the American workers of the period. The outstanding Utopian of the forties was the Englishman George Henry Evans, who brought to America the message of equal property rights. His original proposal called for the establishment of "rural republican townships" where land would be held only by cultivators themselves and would be inalienable, and production would be on a handicraft basis and for use alone. Greeley hugged Evans to his bosom as he did Brisbane, and the New York *Tribune* addressed New York workers in the somewhat strange language of Evans's primitive land communism and Fourier's fanciful and often fantastic anarchistic-communism. Evans—as did Greeley, too—finally watered his program down to pure and simple homesteadism—freeholds for workers from the public domain without cost—and it was this that survived out of all the lofty discourse of the forties and fifties. Be it said, however, that few workers ever became homesteaders; Western agriculture was for those skilled in rural pursuits and with some capital capable of taking them to the prairies and plains.

Homesteadism. Homesteadism was taken up by Western Democrats, and the first bill was presented by Senator Stephen A. Douglas of Illinois in 1849. Southern Democrats were not hostile, but Northern Whigs were; the bill failed in the Senate. Andrew Johnson of Tennessee sponsored a similar measure in the House and in 1852 it passed. Now the lines began to change. The South—fearful of the North's growing influence in the West—swung into the opposition; and the Northeast, for the same reasons, supported the measure. Finally, in 1860, a homestead bill passed both houses only to be vetoed by the Democratic President James Buchanan from Pennsylvania. But the Republican party—seeking to bind North and West together more successfully than had the Whigs—had espoused homesteadism and in 1862 the Homestead Act was put on the statute books.

Working-class Conditions. None of this benefited the working population of the country. Disorganized, misled, subjected to the speedup and stretchout in textile factories, laboring twelve hours every day, and confronted by the constantly rising costs of the late forties and the fifties, labor fell behind. Workers were crowded into the slum areas of cities unprepared to receive them; mortality rates—for children particularly—were high, as

a result of the sketchy nature of public health controls; the continuance of the homework industries led to a good deal of sweating. Real wages declined during the fifties and did not mount again until the depression of 1857 had spent itself. By 1860, however, real wages once more were up.

Nothing better reveals the growing progress of the American working class during these formative years than the rise in real wages from the beginning of the century. From 1801 to 1815, real wages increased 19.4 percent; from 1816 to 1825, 35.2 percent; from 1826 to 1837, 4.6 percent; from 1838 to 1843, 32.6 percent; and from 1844 to 1860, 23.1 percent. From 1801 to 1860, the increase in real wages was 215.3 percent. No other country in the world came anywhere near this achievement. It was no wonder that America's pull was so powerful for the little people of Europe.

By the outbreak of the Civil War, living standards for America's urban populations had improved remarkably.[2] Dwellings were comfortably heated by stoves; plumbing was fairly common; the kerosene lamp had already made its appearance, as also had illuminating gas; factory-made furniture was being bought widely. On the worker's table were to be found white bread, sugar, coffee and tea, as well as plentiful supplies of fresh meat. Indeed, if anything distinguished Europe from America it was this presence of beef and lamb in the daily diet of the workers. It is true that cash available for normal outlays, for the workers, ran from $200 to $800 a year; and for the farmers, from $50 to $250 a year. On the other hand—as a basis of comparison—a room and board at the best hotels cost only $2 to $2.50 a day; while in city boardinghouses lodgers were paying $2.50 to $6 a week for food and shelter.

In such a climate, it was not difficult for ambitious city workers and country laborers to save from earnings and to embark upon business ventures of their own. A stake of $100 was not inconsiderable; and with $4,000 a large-scale enterprise could be embarked upon. Having started out as a clerk in Cleveland in the middle fifties at a salary of $3.50 a week, John D. Rockefeller in less than a decade had $800 with which to enter into business as a commission merchant in farm produce.

4. *THE COTTON SOUTH*

Just as North and West were undergoing rapid changes and growing in wealth, so was the South. But as a result of intensification of agriculture and mechanization of production the Northern and Western economies were turning out more goods per unit of capital invested. The South, too, was growing richer—as its slave population increased. The dilemma of the Southern economy, however, lay in the fact that its productivity remained the same. As the decades unrolled, therefore, relatively, the South was falling behind the North and West in wealth, income, and value of product per units of capital and labor. In addition, such savings as occurred in the region were not employed to diversify the economy but for further investment in Negro slaves. Southern whites were as much the victims of their system as were the Negroes themselves.

The Plantation System. Toward the end of the Revolution, as tobacco became less and less the chief reliance of the South's agriculture, there were strong indications to point to the disappearance of Negro slavery. The discovery of the cotton gin and the mechanization of cotton textile production put an end to that tendency; and not only did the plantation system become more firmly secured than ever, but slavery was built into the whole Southern economy.

The tobacco plantation of the colonial pe-

[2] Edgar Martin, *Standards of Living in the United States in 1860* (Chicago, 1943).

riod was carried over into the cotton plantation. The characteristics of both were the same: single cropping until soil depletion required removal to another location, where the round was continued; extensive rather than intensive cultivation because of the need for extracting a maximum current money income from the capital invested; the investment of capital largely in Negro slaves; and the dependence upon outside credit—in this case, the New York merchants—for long-term and short-term requirements.

Two other aspects of the plantation economy require comment. First, the price of cotton was established in a world market and cotton prices, from the thirties on, proceeded sharply downward. But costs of production went up. This was due to the high cost of credit and the high price of slaves. Influenced by the humanitarian spirit of the Enlightenment and convinced that slavery's life could not be too long in any case, the writers of the Constitution had provided for the termination of the African slave trade after 1808. Beginning with the thirties, the Negro supply fell far short of the country's expanding demand, with a resultant climb in value of slave field hands. Southern agriculture was caught in the typical scissors—a widening gap between prices paid, or costs, and prices received. The narrowing of the distance between these was the basis of much of the economic—as well as political—discussion which filled the South in the forties and fifties.

In the second place, in the South, the accent was upon consumption rather than production. Agriculture has always been a way of life as well as a means of producing wealth. But when agriculture was linked with slavery in order to assure white supremacy, all the aspects of a caste system—with its gentility, idleness, and extravagance—had to be maintained. The large plantations had more house servants than they needed; and more race horses, wine cellars, and indigent relatives than they really could afford. The caste system drew horizontal as well as vertical lines: Negroes were sharply separated from whites; and nonslave-owning whites found an unbridgeable gulf between them and the slaveowners. The disparities in wealth and income between classes were far greater in the South than they were in the North.

Cotton's Advance. Cotton was grown first in the upper South Carolina country and in central Georgia; other important areas of production were Virginia, North Carolina, and Tennessee. As the demand for cotton grew—first from England, then from the Northern mill communities—the cotton South expanded across the Gulf Plain and up the river valleys. Young men, accompanied by their slaves, began to quit the exhausted tidewater lands of the Southeast and to settle Alabama, Mississippi, and Louisiana. When transportation facilities began to appear, they moved into the interior counties of Georgia and Tennessee. By the fifties, seeking out cotton lands, planters were pushing into eastern Texas and the Arkansas river bottoms. By the fifties, more than a half million Virginians and Marylanders were living in other states; and in fifty years, by 1860, Alabama and Mississippi's population had grown from 40,000 to 1,660,000.

In 1815, total cotton production had been only 150,000 bales; by 1859 this had jumped to 4,500,000 bales. The center of production, obviously, had shifted to the Gulf Plain, with Mississippi growing more than the four states of the original South combined. In the process, Virginia—stripped of her capital—was incapable of turning to intensive agriculture. It was no wonder that, politically, decisions affecting the whole South were being made more and more in Alabama and Mississippi rather than in the Old Dominion.

Cotton undoubtedly was King: it was the backbone of American exports and it helped pay for American purchases of iron goods and tropical wares abroad and to service American borrowings in the London money market. In 1860, cotton shipments represented almost 60 percent of America's total export trade. But the price paid for the expansion of cotton

growing was a heavy one. In 1815, middling cotton was selling for 30 cents a pound at New Orleans; in 1844, for 6 cents; during 1855–60, for 11 cents. But on the farm, during the last period, cotton was selling for less than 8 cents; and most farmers could not make a profit at that figure, largely because of high credit costs and the constantly increasing price of Negro slaves.

The Slave Owners. In the fifteen Southern and Border states, where the slave institution continued to flourish, most of the whites did not own slaves. The fact is, even among the minority that made up the slave-owning population, there was a great concentration of ownership at the upper end. In 1860, only one fourth of the South's white families possessed Negro slaves. And 7 percent of the whites owned 75 percent of the enslaved blacks. The other 17.4 percent owned the remaining 25 percent of the blacks; while the remaining 75.6 percent owned none at all.

If we are to conceive of a property with a hundred Negroes or more as a giant plantation, there were only 2,292 such. On the other hand, the possessor of nine Negroes or less was not much more than a yeoman farmer. (If the average worth of a Negro in 1860 is put at $500, such a property represents a capitalization of $5,000 or less.) There were 275,000 such small plantations. Naturally, lines were drawn between large and small owners —and those lines were both social and political. Up to the fifties, generally, the small planters accepted without question the political leadership of the large planters; but during the decade preceding the Civil War they were beginning to find their own spokesmen and to press more and more for the recognition of their economic demands. The clamor for the reopening of the African slave trade came largely from this group.

The Nonslave Owners. The vast company of nonslave-owning whites were not "poor whites," in the legendary sense. On the contrary; they were the sturdy, independent yeomanry of Virginia's western counties, Tennessee's eastern counties, and Georgia's northern counties. They grew the South's small grains and hay, fattened her beef cattle, carried on a little dairying. They sent out their sons to become the overseers of the great plantations and the mechanics and artisans of the South's cities. To this group must also be added the completely self-sufficing farmers of the Southern highlands. In the Appalachians and the Ozarks were to be found thousands of families who worked their rough hillside farms and supplemented their meager livelihoods by hunting, trapping, and fishing. Only at the bottom of this ladder were the relatively few "poor whites": the "sand-hillers," "crackers," and "clay eaters" of the now impoverished eastern old South.

Slaveowners or not, almost the entire white South supported the region's "peculiar institution." Slavery made all whites, rich and poor alike, a superior ruling group; thus, the poorer whites found psychological compensations for their inferior economic status. There can be no doubt that the poorer whites suffered from the existence of slavery. The plantations were constantly swallowing up the farms of the independent yeomen; Negro slaves were increasingly cutting down job opportunities for white mechanics and artisans. But when Hinton R. Helper, in 1857, in his sensational *The Impending Crisis of the South*, sought to band the poorer whites into a united group to wage war against both slaveowners and slaves—against "the lords of the lash" and their "black and bicolored catiffs"—he was driven out of his native North Carolina. The South was fearful of its own image in the mirror Helper held up.

The Blacks. By 1860, there were some 4,250,000 Negroes in the South of whom all but 250,000 were slaves. The slaves were for the most part field hands, with a small sprinkling of house servants among them. By the fifties, however, a growing number of enslaved blacks was being moved over into industrial production and the extractive industries. Some Negroes—on the great plantations

—of course were skilled artisans; but these were few. Unlike the feudal manor the plantation was not a self-sufficing economic unit. It produced a cash crop; and in return, it bought virtually all its necessities—its clothing, foodstuffs, tools. But it is true that toward the end, Negro slaves were to be found in increasing size in the South's iron mines and lumbering camps and in its forges, furnaces, mills, and factories. Negro slaves worked at cotton textile machines, iron manufacture, and tobacco products. The later classical economists—Mill, Cairnes—liked to believe that slave labor was inherently inefficient. The fact is, Negro slaves were cutting down the areas of employment of free white labor; and an important reason for the rise in the price of slaves after 1845 was to be found in the growing demand for their use from these new Southern industries.

Thus, there sprang up competition for slaves between agriculture and industry; and between the old South and the new South. The new South, with its still fertile fields, could afford the higher prices while the old South could not. Negroes therefore were moved into the Gulf Plain; and, at the same time, many sections of the old South found it possible to survive only because they virtually became the Cotton Kingdom's breeding states.

As has been said, the Africa slave trade was outlawed in 1808, and while slave running continued right up to the Civil War only a small number of Negroes were brought in illegally. The Negroes, in other words, could increase only by a preponderance of births over deaths. In 1810, there were 1,160,000 Negroes in the South; in 1860, about 4,000,000. In the old South, the Negro population had only doubled during the fifty years; in the new South, it had increased ten times. The Negroes of the new South came from Virginia, South Carolina, Kentucky, Maryland, and Missouri. Some accompanied their masters in their migration, of course; but most were sold commercially by dealers who were in this business openly. These dealers sold directly or at auction, with Charleston and New Orleans the chief distributing centers. They broke up families purposely and Negroes were encouraged to hold the marital tie lightly. Patterns thus created over a long period of time cannot be changed overnight: the Negro's family attitudes are a direct result of slavery.

Because the Negro was property, or capital, he had no civil rights under Southern law. Nor did he have freedom of movement; and Southern roads were constantly policed by white patrols to pick up vagrants or escaped Negroes. The fact is, the South was much more fearful of Negro uprisings than we have been led to believe by slavery apologists. When slavery became significant economically, Southerners who previously had been ashamed of their institution, now found in their midst philosophers, sociologists, and scientists who were eager to testify to the physical and mental inferiority of the Negro. The blacks were being enslaved, in short, for their own good.

Economic Perplexities. Negro slavery was not inherently inefficient, as has been said. Nor was the institution doomed because the expansive character of the cotton economy was held in check by climate and rainfall. Indeed, the antebellum South was still a pioneering region in many respects, for its transportation facilities were quite primitive. Few good roads and railroads and a heavily timbered terrain prevented the opening up of the back country to cotton. Today, in the same region, and using the same techniques of production —productivity has not increased since the Civil War—the cotton South can grow 15,000,000 bales; in 1859, it grew only 4,500,000.

A fiction has grown up among historians that the slave system was a dying one; and that, therefore, the Civil War was a tragic mistake; if men had had patience, slavery would have passed away painlessly. This viewpoint—economically unsound and morally shocking—loses sight of several considerations. The reopening of the slave trade would have reduced the chief cost of the economy—and

its outstanding capital outlay—and would therefore have permitted its continuance. "Direct trade" with England would have cut the nexus with New York and made available goods and working capital at lower prices and rates. And conversion more and more into industrial production—which was already slowly taking place—would have strengthened slavery rather than the reverse. Slavery was not economically unsound but morally reprehensible; and for this reason the Civil War had to be fought. The Civil War, by its victory, strengthened another important element in the American tradition: that of America's confidence in equality. Thomas Jefferson had asserted the American credo of man's natural rights; John C. Calhoun, the South's great political philosopher, had rejected the idea; the Abolitionists and the Radical Republicans were returning to Jefferson.

Reference has been made to the outstanding economic requirements of the Southern system. Slave prices were too high and only the restoration of the slave trade could lower them. This Southerners knew, and the more realistic among them made the restoration an outstanding demand. This was particularly true of the smaller slaveowners who could not breed their own Negroes but were dependent upon market supply. They saw the price of prime field hands mounting from $600 in 1845 to $1,500 in 1860, with $1,800 not uncommon. Many small planters had to hire Negroes for cultivating and picking cotton: and the rates of hire were shooting up just as sharply. In 1837, the annual hiring rate was $90 with board; in the Southwest in 1860 it was between $300 and $360. Virginia tobacco factories were paying $225 a year for hired Negro slaves. Proportionately, as Negro costs rose, cotton prices fell. These are the ratios of cotton prices (in cents per pound) to Negro costs (in hundreds of dollars per average slave) for particular years: 1819, 2 to 1; 1837, 1 to 1; 1860, 0.6 to 1.

The same situation existed as far as other costs were concerned. New York and its merchants connected the cotton South with the outside world. As late as the forties, cotton moved into Europe by way of New York; and even after cotton ports came to be developed —New Orleans, Charleston, Savannah, Mobile —New York money financed the traffic. The cotton triangle persisted. Cotton (with New Yorkers as the middlemen) went to England and the Continent; and back to New York came drygoods and hardware, which the New York merchants reshipped into the South. At every stage, the New York middleman operated—as commission merchant, wholesaler, and banker. This is why Southerners agitated for "direct trade." New York would have been by-passed; and the Southerners would have cut their costs by cheaper freights, the elimination of middlemen's profits, and lower interest rates. "Direct trade" was linked with reduced tariff schedules.

Thus the Southern economic program. Southerners knew what they wanted and articulated their interests. In 1859, at the last of the Southern commercial conventions, resolutions demanding the following were carried: free trade; direct taxation only; the establishment of a direct line of ships between the South and Europe; and the repeal of all federal and state statutes outlawing the African slave trade.

Hand in hand with these demands went a political program. The South could hope to survive economically only if it possessed political power; and this appeared to be slipping out of its grasp in the fifties as the West continued to fill up. Originally, South and West —because they were both agrarian—were naturally bound together. But as mercantile, transportation, and industrial interests began to appear in the West, New York and New England capital were stronger ties between Northeast and West than were those of blood connecting South and West. For many of the South's younger sons had migrated into the southern counties of Indiana and Illinois and even on into Iowa. But the West was clamoring more and more for public works, railroads,

and free lands. These needs the North sympathized with and could finance. And these expansive requirements of the West the South had to resist. Hence Southern opposition, in the fifties, to projects for the building of Pacific railways and to homestead bills.

The struggle over the territories really represented the growing cleavage between the sections. A settled West meant the destruction of the balance between "slave states" and "free states." The political balance had to be maintained at all costs; otherwise—secession.

5. THE STRUGGLE OVER THE TERRITORIES

Up to the opening of the fifties, not only had the balance between the sections been kept, but the South (with its Northern allies) really dominated the Federal government. From the victory of Jackson on, Southern men—or Northern men with Southern principles (except for Harrison's brief month in office)—sat in the White House. The Democracy controlled the Senate, the House, and the Supreme Court. And beginning with the Compromise of 1820, every time a free state was admitted into the Union, a slave state also joined the company of commonwealths.

Missouri Compromise. The fires of the slavery debate flared up in 1819 and from then on they never could be banked. Legislators labored over compromises and for short periods of time there was quiet in Washington. But the slavery evil was too shocking, and there were too many men of conscience in America, for voices to be long stilled. In 1819 the Territory of Missouri asked to be admitted to statehood and the House passed a bill with the proviso that no new slaves be admitted into the area. Outraged Southerners pressed their case in the Senate. The result was a compromise, with Missouri admitted as a slave state and Maine as a free state. Free soilers gained another point; they established the right of Congress to legislate on the slave issue in the territories, by the provision of the law that slavery was to be forever prohibited in that part of the Louisiana Purchase north of the line of 36°30′ (the southern boundary of Missouri).

Following this pattern, Arkansas as a slave state and Michigan as a free state were both admitted in 1837. In 1845, Florida from the South and in 1846 Iowa from the Northwest were admitted. Texas came in with slavery in 1845 and California without it in 1850. Thereafter, it was impossible to even the accounts: for Minnesota was admitted as a free state in 1858, and Oregon in 1859.

The Abolitionists. Slavery became a public issue in 1820, as has been said. But as early as 1812 Benjamin Lundy, in his paper *The Genius of Universal Emancipation*, had started a campaign to free all the enslaved blacks. And in 1831, William Lloyd Garrison—more intransigent, more bitter and personal in his attacks—took up the fight in his *Liberator*. More important even was the work of the antislavery societies which, led by Northern Protestant clergymen like Theodore Weld and Southerners like the Grimké sisters, formed a fine network of branches spread through the North and West. They published newspapers; bombarded Congress continually with petitions; held public meetings; and gave aid to runaway slaves. A political party was started in 1840—first called the Liberty party, then the Free Soil party—but it got few votes.

Meanwhile, the battle was going on in Congress with John Quincy Adams, now sitting in the lower house from Massachusetts, as slavery's most stalwart foe. He took up cudgels in defense of the right of antislavery societies to petition Congress (a "gag" rule had been passed in 1836) and was finally successful in 1844. The Abolitionists fought against the admission of Texas, opposed the Mexican War, and sought to jam through Congress the Wilmot Proviso. They also agi-

tated for the termination of the slave trade in the District of Columbia and the recognition of the freedom of runaway slaves. In 1846, Northerners in Congress—by the so-called Wilmot Proviso—sought to outlaw slavery in all territory acquired from Mexico; they failed, but the demand became a rallying cry taken up by all shades of anti-Southern opinion from free soil to immediate emancipation.

The Compromise of 1850. A legislative crisis once more appeared in 1848–49, because the problem of the territories no longer could be avoided. Clay and Webster pleaded for compromise and the preservation of the Union. Calhoun, the South's great spokesman, called upon his section to remain unyielding. The younger men also were divided. Stephen A. Douglas of Illinois proposed his formula of "squatter sovereignty": let the citizens of the territories, in their own constitutions, decide whether they were to join the Union as slave or free states. While William H. Seward of New York—now a Whig, soon to become a Republican—rejected compromise and spoke of "a higher law than the Constitution." This was the "natural law" which became the chief reliance of the Abolitionists and the later Radical Republicans.

Led by Clay and Douglas the compromisers won, securing the passage in 1850 of a series of bills which have come to be known as the Compromise of 1850. These provided for: the admission of California as a free state; "squatter sovereignty" for Utah and New Mexico—the remaining territories of the Mexican cession; the abolition of the slave trade in the District of Columbia; and the enactment of a fugitive slave law. This last was a bitter pill for the friends of the Negroes to swallow, for it provided that a slaveowner, merely by proving ownership before a federal judge or commissioner, could reclaim his property without further ado. The fugitive slaves might not testify in their own behalf; federal marshals were to be held liable for the arrest and safe delivery of fugitives; and all persons seeking to prevent the return of fugitives could be fined, imprisoned, and sued for civil damages. The "underground railway"—by which Abolitionists had helped fugitives escape into Canada—was now in peril; but Northern sympathizers prevented the seizure of Negroes, while the state supreme court of Wisconsin had the courage to declare the Fugitive Slave Law unconstitutional.

The Kansas-Nebraska Act of 1854. Thus, nothing was really settled; and in another four years Congress was once more engaging in alarums and excursions. The question of the territories was reopened by Douglas, an ambitious Democrat who assumed that his theory of "squatter sovereignty" was really the key to the resolution of the perplexity. Douglas had other motives. He and his Chicago friends were heavily involved in real estate operations—urban and rural—and were pushing for the building of a Pacific railway through the northern or central tier of states. With an orderly government established in Nebraska, the railway project might be furthered and the power of Chicago assured.

Douglas, to achieve his ends, paid a heavy price. The Kansas-Nebraska Act of 1854 divided the Nebraska Territory into two territories. Under the theory of "squatter sovereignty," settlers were to decide the slavery issue for themselves. And the Missouri Compromise was declared null and void. Two years later, in 1856, James Buchanan, the Democratic candidate, was elected to the Presidency; presumably the American electorate approved of Congress's decision. But in opposition to the Democrats this time no longer stood the irresolute Whigs but the new Republican party.

Nebraska, in any case, was bound to come in free; but Kansas became a battleground. Into Kansas thronged Southern and Northern zealots, brawlers, adventurers, and land jobbers. From New England, financed by Boston money, moved Abolitionist immigrants who were led by their ministers but who also brought their rifles with them. The slavery

men captured the territorial legislature; the free-soil men held their own convention and drafted a constitution without slavery; murders and the burning of public buildings took place. In retaliation for the slaying of two Abolitionists, John Brown, at Osawatomie Creek, killed five proslavery men.

Into this situation the Republicans threw themselves. First appearing in 1854, and attracting old Whigs, Abolitionists, free-soil Democrats, and even Know-Nothings, the Republicans in the campaign of 1856 spoke out clearly against slavery. They denounced the repeal of the Missouri Compromise; opposed the extension of slavery into the territories; demanded the admission of Kansas as a free state; and called for the ending of slavery in the still unorganized regions. To bind North and West together, the Republicans advocated a Pacific railway and a federal program of public improvements. With John C. Frémont as their standardbearer, they won Connecticut, Iowa, Maine, Massachusetts, Michigan, New Hampshire, New York, Ohio, Rhode Island, Vermont, and Wisconsin. Not enough to win; apparently not important enough to give the Southerners pause.

The Dred Scott Decision. It was a Democratic bench that handed down the Dred Scott decision of 1857. Dred Scott, a Negro slave, had been taken by his master into free regions and then carried back to Missouri, a slave state. Charging that his stay in free territory had made him a free man, he sued for his release in the Missouri courts in 1846. The case finally came to the Supreme Court bench, which in 1857 found against Scott. While each of the judges wrote a separate opinion, six followed Chief Justice Roger B. Taney, a Southerner, in agreeing on the following two points: 1) that a Negro "whose ancestors were sold as slaves" could not claim the rights of federal citizenship; 2) that the Missouri Compromise of 1820, prohibiting slavery in a part of the national territory, was unconstitutional. Here Taney contended that slaves were property; that under the Fifth Amendment Congress could not take property without due process of law; and that the outlawing of slavery in the territories by Congress was the deprivation of the owners of slaves of their property rights. The inference was plain: Congress might not check the extension of slavery into the territories. The Republican party had to ponder this bitter truth.

Continued Turbulence. Civil war went on in Kansas and the two groups continued to carry on in disregard of each other. The proslavery party drew up the so-called Lecompton Constitution, which assured the continuance of slavery. The free-soil men refused to participate in the election and the constitution was carried by default. The Democrats pushed the bill admitting Kansas under the Lecompton Constitution through the Senate; the House rejected the bill. In 1858 Kansas voters now turned down the constitution—and Kansas remained a territory. In 1861 it came into the Union as a free state.

The year 1858 saw taking place the famous Lincoln-Douglas debates. Lincoln had been a Whig—and, in fact, a "Clay man"—up to 1854; and then he joined the Republican party as a free-soiler and not as an Abolitionist. He contested the senatorial reelection in Illinois of Stephen A. Douglas, and the two candidates moved about the state engaging in joint debate. The discussions were followed with breathless interest by the whole country, but they really proved nothing. Lincoln argued free soil and Douglas argued "squatter sovereignty," maintaining—honestly enough—that despite the Dred Scott decision slavery could continue in a territory only if police regulations protected it. Lincoln lost the election but he won national attention and became an obvious candidate for the Republican nomination in 1860. In the same elections of 1858 the stage was being also set for 1860. For the Republicans captured the lower House of Congress and proceeded to debate free soil, tariffs, and homesteads.

In 1859 occurred John Brown's raid. Brown had moved from Kansas to Virginia, the idea

forming in his mind that armed forays against slave properties would compel slaveowners to release their Negroes voluntarily. He had received financial assistance from prominent New England Abolitionists, making it possible for him to gather a band of twenty-one followers and a cache of arms. On the night of October 16 he proceeded against the government arsenal at Harper's Ferry and took it. Two days later a detachment of United States Marines, led by Colonel Robert E. Lee, retook the arsenal, caught Brown and four of his men, and killed ten of whom two were Brown's sons. Brown was tried in October and hanged on December 2.

Both sides were outraged: the South because Northerners were willing openly to countenance insurrection; the North because Brown was a martyr who had listened calmly at his trial and as calmly gone to his death in order to make men free. There was no doubt that nerves everywhere were badly frayed. Congress, the press, and citizens generally looked forward to the election of 1860: it might settle the issue of slavery once and for all.

6. *OVERSEAS INTERESTS*

Panama. The interest in expansionism did not spend itself in the acquisition of the whole continental domain. Americans—some slave planters, some shipping men, some simply adventurers—gazed far beyond their own shores and dreamed of American empires in the Caribbean and even in the distant western Pacific. In 1846, already thinking of a Panama Canal, the United States negotiated a treaty with New Granada (Colombia) under which Americans received freedom of transit across the isthmus; the sovereignty of New Granada was assured as was also the neutrality of a canal or railroad that might be built. An American company received a charter to construct a railroad and work was begun. Meanwhile, in 1850, by the Clayton-Bulwer Treaty, Great Britain and the United States joined to guarantee the neutrality of any canal dug; nor was either of the countries to try to establish dominion over Central America.

Cuba. Here was a foothold. Other Americans—and they were not only slavery men—now began to center their attention on Cuba. The slave system could be introduced here, of course; but Americans were just as interested in sugar growing and in trade. The weakness of the Spanish administration tempted unscrupulous men, who kept on fishing in the troubled Cuban waters for years. They ran in guns; they ran out slaves; and they involved American Secretaries of State in controversies with Spain. The election of the Democrat Franklin Pierce as President in 1852 promised an aggressive Cuban policy directed toward the acquisition of the island.

Pierre Soulé, Senator from Louisiana, was sent as American Minister to Spain with instructions to buy Cuba or "detach that island from the Spanish dominion," presumably by aiding a Cuban independence movement. Soulé alienated the Spanish court and people; and in 1854 he, James Buchanan (our minister to England) and John Y. Mason (our minister to France) met at Ostend, Belgium, to consider a course of action for the United States. They ended by drawing up a joint letter to the State Department, which has since been called the Ostend Manifesto although it was never delivered to the Spanish government. The American ministers expressed their willingness to purchase Cuba; this failing, "by every law, human and divine, we shall be justified in wresting it from Spain if we possess the power."

Stories of the affair leaked out and the administration was embarrassed; it had to disavow the Manifesto. Soulé resigned; the Abolitionists attacked the Democrats; and the latter, during 1857–60, again and again sought

to interest Congress in the passage of a bill authorizing the buying of the island. But Northerners were opposed—just as Southerners were opposed to the passage of a homestead bill. And there the matter ended.

The Far East. As has been seen, American traders had long been familiar figures in the China Sea, entering and leaving the port of Canton as they engaged in trading voyages among the islands or operated only in the direct American trade. In 1842, at the conclusion of the Opium War, England obtained Hong Kong from China and forced open five Chinese ports to foreign commerce and residence. Two years later, as a result of treaty negotiations carried on by Caleb Cushing, Americans were extended similar rights in the new ports and were given both most-favored-nation treatment and extraterritoriality. This last meant the privilege of trying Americans before their own officials instead of in Chinese courts. In the decade or so of the clipper-ship era which followed, American commerce with China grew mightily. American penetration into the kingdom was further aided by the arrival of Christian missionaries, who not only set up their mission stations but also schools and hospitals. Americans, right through the century, continued to be interested in trade alone and had no territorial designs on China —unlike the British, French, Germans, Russians, and Japanese. We manifested our friendship toward the Chinese in many ways and they reciprocated by trusting us.

The same period also saw Americans breaking down the walls behind which the Japanese had barred themselves from the outside world since 1620. The Japanese kept but one port open—Nagasaki—and only the Dutch were permitted to maintain a quarter in it. So hostile were the Japanese to foreigners that shipwrecked sailors from the American whaling fleets were imprisoned and some died in captivity. America, in its extending traffic across the Pacific, needed coaling stations for the new black ships (steamers); it was interested in protecting its seamen; and it wanted to play a part in opening up the Japanese markets to the western world. Britain and Russia entertained similar hopes. It was an American naval officer who first gained entry into the Japanese Bay of Yedo (Tokyo); and it was the United States which made the first commercial treaty with Japan.

In 1853 Commodore Matthew C. Perry, with his squadron of four black warships, appeared before the bewildered eyes of the Japanese and demanded the right to deliver a letter from the President of the United States to the Emperor of Japan. Japan was still feudal in its economy and society; many of its leaders knew they were at the mercy of Perry's guns; and these persons took advantage of Perry's coming to point up the need for the modernization of Japan. Perry was permitted to deliver his letter and in 1854, when he returned for an answer, was cordially received. A treaty was signed between the United States and Japan in March, 1854, which opened two ports and gave the United States most-favored-nation treatment. This was followed up by the dispatching of Townsend Harris to Japan as America's first consul general and in 1858 he obtained Japanese signatures to a commercial treaty. Japan now could be freely entered by American seamen and merchants; its history, from thence on, became a part of the history of the West.

In these ways, a pushing, confident United States spread across the American continent and spilled over across its frontiers. It was growing in wealth and beginning to industrialize. Its standards of living were the highest in the world. Every year, hundreds of thousands of immigrants—facing the future with new hope as they entered her ports—arrived from Europe. While all this was going on, the irrepressible conflict of the Civil War—the Second American Revolution—was preparing. The fifties saw the failure of all efforts at compromise as the hostility between the enemies and the friends of slavery became more implacable.

THE AMERICAN MIND

ALBERT BRISBANE

As THE INFLATIONARY PROSPERITY of the early 1830s collapsed into panic and depression, Americans became increasingly concerned with the causes and cure of the difficulties under which they suffered. Many had supported the effort to curtail the credit system by destroying the Second Bank of the United States; others, like the insurgent "Locofoco" Democrats of New York, regarded lapses from the doctrine of equal rights as the evil, and a more consistent application of democratic principles as the remedy.

But to Albert Brisbane (1809–1890), all that seemed mere tinkering. The organization of society was responsible for poverty, disease, and disorder; no political program, however sincerely and thoroughly executed, could reach the cause or heal the ills that afflicted the body politic. Brisbane, son of a prosperous New York landowner, joined the numerous Americans touring Europe in the thirties, but he remained longer and saw more than most of his compatriots. After unsatisfactory experiences in the lecture rooms of Paris and with Hegel at Berlin, Brisbane encountered the writings of Charles Fourier (1772–1837), with whom he studied for two years. Convinced that society could be fundamentally altered without convulsion, on his return to America in 1839, Brisbane set about converting his countrymen to Fourier's plan of "Attractive Industry and Association."

The Social Destiny of Man (1840) was the first of Brisbane's efforts. The book blends long translations from the master with Brisbane's own exposition into a confusing, badly organized account of the means by which the world is to be saved. Man has passed through three stages of development—savage, patriarchal, and individual. As these have disappeared, so shall civilization in due time, but the disorders and difficulties of all "transitional" periods could be obviated if men would accept Association now before monopoly forced a burlesque of it upon them.

The present individualist organization of society is inordinately wasteful of time, material, and talent. Individual households fritter away the energies of the female half of the human race in domestic drudgery and the petty buying and selling which serves that drudgery. The individual farm is as wasteful as the individual household; the factory, while more economical, also contravenes the true principles of social organization. Nowhere is industry pleasurable, nowhere does labor produce what it might if work were so pleasant that no one would want to be idle.

From principle and argument, Brisbane passes to programs. Let 300 families join forces on a tract of 2,000 acres. Let them divide into groups, each linked by fondness for a particular branch of agriculture and the trades which serve it. Since everyone will be doing the work he chooses, he will produce more. The wastes of individual farms and households would be eliminated. With the saving of effort and capital which Association will permit, such a Phalanx will be able to cultivate its land so efficiently that it must grow rich and be an example of true social organization to the larger community. In a Phalanx, women would not be limited to the household, hence their labor would be saved for the Association. Children would be so rationally educated and their tastes put to such good use that they would be productive members of society from the age of three. Nor would they resemble the present

ill-fed, pallid objects of compassion who tend machines and peddle small wares in city streets. They would have miniature workshops in which to discover their tastes and acquire skills; their work would be honored by the community and their reward would be glory as well as money.

With waste eliminated by Association and labor far more productive under a system of Attractive Industry, Fourierist communities could afford to give their children complete educations, their workers pleasant surroundings, and their poorer members leisure and comfort. For Association did not imply the abolition of individual property or social distinctions. Capital, labor, and talent each was to be rewarded separately and to have its specific share in the annual balancing of the Phalanx's accounts.

Association is practicable, Brisbane argues: large-scale production is so economical that even capitalists practice it when they can. The world is moving toward the elimination of the individual producer. This coming "industrial feudality," in which monopoly must rule, will mean virtual slavery; it can eliminate none of the existing contradictions and will introduce others of its own. Since associated industry is practical, it should be attempted by the people for their own benefit. Only prejudice prevents its acceptance. To eliminating that prejudice, Brisbane devoted a good part of his energies. Brisbane publicized Association in the columns of Horace Greeley's New York *Tribune*, won Greeley himself to Fourierism, and drew the literary community of Brook Farm into the orbit of Association.

Under the stimulus of continued depression, Phalanxes were organized from Massachusetts to Green Bay, Wisconsin, and the latter even emerged with a profit, for the rise of land values in its neighborhood had increased the value of its holdings. None of the other attempts was that fortunate, however, and none of them was undertaken with Brisbane's approval. He was convinced that the failure of an ill-conceived and badly managed effort to establish Association would merely intensify existing prejudices and supply ammunition to those who believed society never could be regenerated. The efforts continued, none the less, until the return of prosperity and the waxing conflict over the extension of slavery submerged the Fourierist plan that had set so many Americans building paradises on mortgaged land.

The selection here reprinted is from *The Social Destiny of Man* (Philadelphia, 1840). It is an interesting example of the social, educational, and psychological theories of the Fourierists, who regarded the family as an outworn institution and who advocated the early training of the very young for productive labors.

The Social Destiny of Man

BY ALBERT BRISBANE

Chapter XXXI: Education of the First Order of Children

We now arrive at the period, when the initiation of the child into industry, or the awakening in it of a taste for industrial occupations, takes place. Unless the development of industrial instincts be early commenced, the whole system of Education will be a failure. The first tendency of man being to riches,[1] we may say that the Education of the child is falsely commenced, if in the outstart, at about the age of two years, it does not devote itself freely and spontaneously to productive Industry, which is the source of riches; and if, like the civilized child, it runs into all kinds of mischief, and breaks and destroys what ever comes in its way, which foolish parents think charming.

As soon as the child can walk and run about, it passes from the class of the *Weaned* to the next

[1] The three tendencies of attraction are:

1st. Riches.	*2d. Groups.*	*3d. Series.*	⨯ Unity.
Material Refinement.	Affections.	Association.	Harmony.

class in age, which we will term *Little Commencers.*[2] If it has been brought up *from its birth in the nurseries of a Phalanx*, it will be strong enough at the age of twenty-one months to join the children of this class. There is no distinction made at this age between the two sexes, as it is important to mingle and confound them in order to facilitate the free development of industrial tastes or talents, and to apply both sexes to the same branches of industry. A distinction between the sexes commences with the class next in age,—with children from three to four and a half years old.

We have before remarked that Nature gives to each child a large number of industrial instincts or talents,—about thirty; some of which are primary or directing instincts, and should lead to those which are secondary.

The first object is to discover in the child, its primary instincts: they will be awakened as soon as it is brought in contact with occupations to which those instincts direct it. As soon as it can walk and leave the nursery, it is confided to the care of a class of teachers, who have the instruction of this age, and whom we will term *Mentors.* (Their functions will differ from those of civilized tutors, who only endeavor to smother Nature, and substitute their doctrines in place of her true impulses.) They will take the child through all the workshops of the Phalanx, and to all industrial assemblages of children; and as it will find little tools and little workshops placed alongside the large ones, where children from the age of thirty to thirty-six months, are taught to perform some trifling branch of work, it will wish to mingle with them in their occupations, and handle the tools; it will be easy in consequence, to discover at the end of a couple of weeks, which are the worshops that attract it the most, and for what branches of industry it shows a taste.

As the branches of Industry of a Phalanx are extremely varied, it is impossible that the child surrounded by them, should not find the means of satisfying several of its predominant instincts; they will be awakened by the sight of little tools, handled by children a few months older than themselves.

In the opinion of civilized parents and teachers, *children are lazy little creatures;* nothing is more false; children from two to three years of age are very active, but we must know the means which Nature employs,—*in the Passional Series, and not in civilization*—to attract them to industry.

The predominant tastes or characteristics in all children, are:

1st. *Propensity to pry into every thing*, to meddle with and handle whatever they see, and to vary continually their occupations.

2d. Taste for noisy occupations.

3d. Propensity for imitation.

4th. Love of little tools and workshops.

5th. *Progressive influence* of the older children upon the younger.

There are many others, but we mention first these five, which are well known at present. Let us examine the application to be made of them to direct the child in its early age to Industry.

The mentors or tutors will first avail themselves of the propensity of the child to pry into every thing, a propensity which is so strong at the age of two years. It wishes to enter every where, handle every thing, and meddle with whatever it sees. This instinct in the child is a natural incentive to industry. To awaken in it, a taste for its occupations, it will be taken to the little workshops, where it will see children three years old capable of handling little hammers and other tools. Its propensity for imitation will be aroused, which it will wish to satisfy; some little tools will be given it, but it will desire to take part with the children a little older than itself, who know how to work, and who in consequence, will refuse to receive it.

The child will persevere, if it has a decided in-

[2] Classification of Children in Ages or Orders.

Germ,	Sucklings,	from 0 to 1 year.
	Weaned,	from 1 to 2 years.
1st. Age	1st. Order or *Little Commencers.*	from 2 to 3 years.
Transition, to Industry,	2d. Order or *Initiated*,	from 3 to 4½ years.
2d. Age		
3d. Age,	3d. Order,	from 4½ to 6½ years.
4th. Age,	4th. Order,	from 6½ to 9 years.
5th. Age,	5th. Order,	from 9 to 12 years.
6th. Age,	6th. Order,	from 12 to 15½ years.
7th. Age,	7th. Order,	from 15½ to 20 years.

The *Sucklings* and *Weaned*, are the mere germs of future individuals; they are not therefore classed as an Order.

The First Age or Order, is composed of children from two to three years of age. We term them *Little Commencers*, because, childhood at their age, commences its first initiation into Industry.

We give to the Second Order, the title of *Initiated*, because, at the age of four, the child has already acquired a knowledge of some details in divers branches of Industry, and is *initiated* into its occupation.

These two first Ages form the Transition to Industry, as during them children are acquiring preparatory notions of, and forming their bodies to, its exercise.

clination or instinct for the branch of industry. As soon as the mentor perceives this, he will teach it some little detail connected with the work, and it will soon succeed in making itself useful in some trifles, which will serve as an introduction. We will take as an example, a simple occupation, like the podding of peas, which the smallest children can perform. This work, which now occupies grown persons, will be reserved to children two, three and four years old. The room used for the purpose will contain an inclined table, on the lower side of which are several cavities; two children between three and four years of age are seated at the upper side; they pod the peas, which roll to the lower side, where three *Little Commencers* of the ages of twenty-five, thirty and thirty-five months are seated, who have merely to separate the smaller from the larger peas.

The smallest are wanted for the more delicate kinds of cookery, the middle sized for the more common kinds, and the largest for soup. The child of thirty-five months first selects the smallest peas, which are the most difficult to cull; it passes all the large and middle sized to the next cavity, where the child of thirty months is seated, who shoves in turn to the third cavity what appears large, returns to the first what appears small, and gathers in a basket all the middle sized. The child seated at the third cavity has very little to do; it pushes back a few middle sized peas to the second child, and merely collects in its basket the large ones.

It is at the third cavity that the new comer is seated: it will take great pride in pushing the large peas into a basket, and in performing this trifling operation, it will imagine that it has done as much as its companions.

The work will interest and excite an emulation in the young child, and in a few days it will be able to replace the child twenty-five months old. As soon as it can perform this little work, a badge of distinction is given it to show that it is a member of the group. In all the occupations of Association care will be taken to reserve for extremely young children some trifling detail like the above, which could no doubt be better done without them and with less loss of time, but these details, which are easily performed, must be reserved for children to induce them to take a part in industry.

In all branches some trifling occupations are left for childhood as a means of initiation into industry. For the child two years old these occupations must be very easy of execution, but in performing them, it will believe that it has done something of consequence, and that it is almost the equal of children three or four months older than itself, who are already members of groups, and who wear their little ornaments and uniforms, which inspire with profound respect the young beginner.

The child two years old will find consequently in the little workshops of a Phalanx enticing occupations, which is not the case in civilization, and which will develope its tastes or instincts for industry. These instincts in civilization either lie dormant or are entirely smothered.

MEANS OF DEVELOPING INSTINCTS FOR INDUSTRIAL VOCATIONS IN CHILDREN

1st. Charm of little workshops, and of little tools, adapted in size to the different ages.

2d. Application of all playthings, such as little wagons, wooden horses, dolls, etc., which are useless in civilization, to purposes of industrial instruction.

3d. Charm of ornaments and uniforms: a feather at present often suffices to bewitch the country lad, and induce him to enlist; what then will be the power of handsome ornaments and uniforms with the child in inducing it to take a part in gay and happy groups with its equals?

4th. Privilege of appearing on parade, and of using tools: we know how much such privileges stimulate children.

5th. Gaiety and animation, which always accompany assemblages of children, when they are engaged in occupations, which are pleasing and attractive.

6th. Pride of having performed some trifle which the child believes of high importance; this illusion is cherished.

7th. Propensity to imitation, which is so predominant in children, and which acquires a ten fold intensity, when their emulation is excited by the exploits of groups of children, a little older than themselves.

8th. Full liberty in the choice of occupations, and in the duration of the same.

9th. Perfect independence, or exemption from obedience to superiors, whom it has not chosen from inclination.

10th. Parcelled exercise, or the advantage of choosing in each branch of industry, the detail which pleases.

11th. Charm of short occupations, varied frequently and animated by rivalry. They are desired, because they do not occur frequently. This is the case with those occupations even which take place daily, for they only require by turns a third or a fourth of the members of the group.

12th. Absence of paternal flattery, which is counteracted in Association, where the child is judged and criticised by its equals.

13th. Influence of a regular gradation in uni-

form tools, etc., adapted to merit and ages, which is the only system that charms the child and can call forth dexterity in industry and application in study.

14th. Attractive effect of large assemblages, and charm of belonging to groups, in which an enthusiasm is awakened by uniforms, music and corporative celebrations.

15th. Emulation and rivalry between children of the same age, between groups of the same series, and between divisions of the same group.

16th. Periodical chance of promotion to classes higher in age.

17th. Admiration for prodigies performed by groups of older children,—the only beings whom the younger ones choose as models.

18th. Rivalries between children of different Phalanxes; meetings of groups, and emulative contests between them.

There are other incentives not here mentioned, and which commence acting only after the age of four, such are:

Contrast and emulation of sexes and instincts.

Love of gain or spirit of acquisition.

The combination of these incentives will develope in less than a month in the child three or four of its primary tastes or inclinations, which with time will call forth others: inclinations for more difficult branches will be awakened later.

The mentor in taking the child through the workshops and manufactories, will discern the most proper occasions for presenting to it any particular branch of work; he makes a memorandum of what has appeared to please it, and two or three trials are made to ascertain whether an inclination manifests itself. A delay of a few months may be judged necessary, and there is no urging in case a taste is not evinced. It is well known that twenty or thirty industrial inclinations will be developed in the course of the year, *and it is of but little consequence which they are.*

A mentor will commonly take with him three children at a time; with one child he would have but few chances of success, but of the three one will be more skilful, another more ardent, and the two will influence the third. The mentor will not take them all of the same age; besides he will change children in the different workshops; leaving one with a group occupied in shelling peas, taking with him the others who have evinced no inclination, and a third, who has finished its work.

The function of mentor is adapted to both sexes, and requires peculiar talents, which may be found in both. The function of nurse is confined to women.

The best incentive for the child commencing its industrial career, is impartial criticism, which it never receives from the father or the mother, who praise at this early age even its faults. This indiscreet flattery will be counteracted in Association; children among themselves show no quarters, but ridicule without mercy an awkward associate and dismiss it with disdain. Turned away by the older children, it will go crying to its mentor, who will give it lessons and present it again, when it has acquired sufficient skill. As some easy and trifling work is always reserved for this age, the child soon obtains admission to a dozen groups, in which its education progresses rapidly and by pure attraction. Nothing is learned well and rapidly, which is not learned by attraction.

Of all the means of awakening a taste in the child for industry, the one least known and most perverted in civilization, is that which we will term the *spirit of ascending imitation*, or the tendency of the child to imitate those a little older than itself, to pay deference to their views and decisions, and to consider it an honor to be associated with them in their occupations and amusements.

This *spirit of ascending imitation* is pernicious in effect at present, because the amusements of a band of children, left free, are dangerous or useless; they play games in which they run the risk of maiming themselves, acquire bad habits and learn vulgarity of language and manners. In Association, with the stimulants we have just enumerated, these same children would be led to devote themselves actively to productive occupations.

The ignorance of the true application of *ascending imitation* shows the great defect of all our civilized methods of education.

All authors of systems of education have fallen into the great error of considering the father or a tutor under his direction, as the natural instructor of the child. Nature judges differently, and for a three-fold reason.

1st. The father seeks to communicate his tastes to the child, and to smother the development of its natural instincts and capacities, which differ almost always from his own. The whole mechanism of the passional Series would be destroyed, if the son inherited the tastes of the father.

2d. The father is disposed to praise and flatter to excess in the child the little merit which it may possess, while on the contrary it requires to be criticised with severity by groups of associates.

3d. The father excuses in it want of skill and dexterity, and prevents as a consequence the progress which would result from a judicious criticism, which is submitted to when it comes from skilful associates.

Nature, to counteract all these defects of paternal education, gives to the child a repugnance for the lessons of the father and the tutor; the child wishes to command and not to obey the father. The leaders whom it chooses from passion, are always children somewhat older than itself; for example,

At 18 months, it admires the child of two years, and chooses it as its guide.

At 2 years, it chooses the child of thirty months.

At 3 years, the child of four.

At 8 years, the child of ten.

At 12 years, the child of fifteen.

This ascending deference will be greatly increased in strength, if the child sees children a little older than itself members of groups, and enjoying a merited respect for their progress in industry and studies.

The natural instructors of children of each age are, consequently, those a little superior in age. But as children in civilization are all more or less inclined to mischief and entice each other into it, it is impossible to establish among them a gradation or ascending order of useful impulses and make each age the guide of the next younger; this can only take place in the Passional series, out of which any approximation to a system of natural education is impossible.

This natural system of education will be one of the wonders, which will be admired in the first Phalanx. The seven orders or ages of children will direct and educate each other, as nature wishes, by the influence of *ascending imitation*, which can only lead to the good of the whole; for if the highest order, or seventh age, (from fifteen and a half to twenty,) take a proper direction in industry, in studies and morals, it will influence and direct rightly the sixth age, (from twelve to fifteen and a half,) to which it will serve as a model. The same influence will be exercised by the sixth on the fifth, by the fifth on the fourth, and thus in a descending order on the third, second and first ages. The seven corporations, directed by the spirit of *ascending imitation*, will, although left to their full liberty, vie with each other in excellence and activity in Industry and social harmonies. On beholding this prodigy, it will no longer be doubted that Attraction, *developed in Passional Series*, is the agent of the Divinity, is the hand of the Creator, directing man to his greatest good.

We will conclude our remarks upon the functions of the Mentors with one or two more observations. So far from flattering and excusing the child, it will be their task to see that it meets with refusals and rebuffs in different groups, in order to stimulate it to vindicate itself by proofs of skill. A father could not fulfil this duty; he would blame the group which had rejected his child. The function of mentor, as well as of nurse, will require persons of a firm and judicious character, who, from a corporative spirit, will be interested in the progress of the children in general and not in the caprices of a few favorites.

The function of Mentor is of high importance, because it acts upon a decisive epoch in the education of the younger age; if the child succeeds well in the commencement of its industrial education; it will be a guarantee of success for the entire career of its childhood. Once initiated into ten branches of industry, it soon will be into a hundred, and at the age of fifteen, it will be acquainted with the various branches of agriculture, manufactures, arts and sciences, which its own, and the neighboring Phalanxes pursue. Let us examine how this result will be effected.

A child, were it the son of a man of the highest rank and fortune, may at the age of three years, exhibit a taste for shoemaking, and wish to visit the workshops of the shoe-makers, who in Association are as polite a class as any other. If it be prevented from visiting their workshops; if its inclination for shoemaking be thwarted, under the pretext that it is not a dignified occupation, or is wanting in intellectual elevation, it will take a dislike for other branches of industry, and will feel no interest in those studies and occupations, which its parents wish it to pursue. But if it be left to commence as attraction directs,—that is by shoemaking,—it will easily be induced to acquire a knowledge of tanning, then of chemistry, so far as relates to the various preparations of leather, and then of agriculture, so far as pasturage and breeding of cattle has an influence upon the quality of skins.

Thus the child by degrees will be initiated into all branches of industry, a result of its primitive inclination for shoemaking. It is of but little consequence how it commences, provided it acquires in the course of its youth a general knowledge of the various branches, of industry of its Phalanx, and that it conceives a lively affection for all the Series from which it has received instruction.

This general knowledge cannot be acquired in civilization, where science and industry are not connected. The scientific declare that the sciences form a chain, each link of which connects with, and leads to, all the others; but they forget that our isolated and conflicting relations sow discord among the industrial classes, and render each indifferent to the labors of the others; whereas in a Phalanx, every person is interested in all the Series

from connections and rivalries with some of their members upon questions of agriculture, science, music and art. The connection existing between the sciences is not alone sufficient to lead to their general study; we must add to that connection ties, which arise from the association of functions and individuals and from emulative rivalries,—an impossibility in civilization.

HENRY DAVID THOREAU

WHILE ALBERT BRISBANE and the American followers of Fourier were attempting to build the good society in cooperation, other Americans looked to the individual for regeneration. "We must first succeed alone, that we may enjoy our success together," Thoreau declared at twenty-six. The fact is, he had been going his own way all his life. Harvard rules required students to wear black: Henry David Thoreau (1817–1862) wore a green coat through the four years of his residence. College-bred young men were expected to become ministers, schoolmasters, or men of letters. Thoreau made pencils as his father had done before him. Thoreau made the best lead pencils in Massachusetts and then he made no more: he had other business. That business was not the naturalist's, although Thoreau was concerned with nature. It was not the scholar's, although his translations from the Greek were used as labor savers by lazy Harvard students. And it was not the writer's, even though Thoreau did publish two books during his lifetime and keep journals that furnished his friends with material for half a dozen more.

Thoreau had set himself a problem: To what end does a man live and how shall he order his life to achieve that end? Thoreau's first book, *A Week on the Concord and Merrimack Rivers* (1849) expresses some of his dissatisfaction with what he saw of other men's solutions to that problem. In *Walden* (1854), Thoreau gives an account of his own experiment in uncluttered living. He spent more than two years in a hut at Walden Pond, raising his own food, caring for his own needs, and minding his own particular business. When he had discovered how little a man actually needed to supply his life, Thoreau returned to Concord. He was no hermit for seclusion's sake. Nor was Thoreau unaware of the fact that men have relations with each other as well as with the universe. He had refused certain of those relations, to be sure: he did not marry; he worked when and as he chose; he "joined no church and belonged to no political party"; he scorned the "American . . . who ventures to live only by the aid of the Mutual Insurance Society which has promised to bury him decently."

But for Thoreau, those refusals meant an increase of rather than a shrinking from responsibility. He had accepted his friends' action when they paid his poll tax in 1845, and thereafter paid the tax himself, rather than be beholden to them. When Boston sent back fugitive slaves to the South, Thoreau faced his own problem in a new light. A man might properly have other duties than the redress of wrong, but if "I devote myself to other pursuits and contemplations, I must first see, at least, that I do not pursue them sitting upon another man's shoulder." In 1832, South Carolina asserted a state's right to peaceable secession from the Union. In 1849, Henry David Thoreau asserted the individual's right to secede. "I quietly declare war with the State," Thoreau says in the essay on *Civil Disobedience*.

Government is an evil that might be tolerated so long as it did not interfere with a man's conscience. But when a government made war on a weaker nation and tolerated slavery, the individual must leave his own business and take thought: "How does it become a man to behave toward the American government today? I answer that he cannot without disgrace be associated with it. I cannot for an instant recognize that political organization as *my* government which is the *slave's* government also."

Nor was it sufficient to be opposed in opinion; a man must act. And, since voting is a gamble and there "is but little virtue in the action of masses of men," he must act alone, not by obeying the law, but by breaking it, by refusing to acknowledge the state in the person of its tax gatherer. And if the state jail him for the offense, it but shows its own folly in treating a man as if he were "mere flesh and blood and bones to be locked up." When the state of Massachusetts had shut Thoreau into a cell for refusing to pay his poll tax, he knew it was as "timid as a lone woman with her silver spoons." He had no silver spoons; he was without property or family to hinder him; he could act as it was fitting that a man should act, from principle, not expediency.

The passage here reprinted is from *Civil Disobedience* and appears in *Cape Cod and Miscellanies* (Boston, 1906). It is published by permission of Houghton Mifflin Company.

Civil Disobedience

BY HENRY DAVID THOREAU

. . . UNDER A GOVERNMENT which imprisons any unjustly, the true place for a just man is also a prison. The proper place to-day, the only place which Massachusetts has provided for her freer and less desponding spirits, is in her prisons, to be put out and locked out of the State by her own act, as they have already put themselves out by their principles. It is there that the fugitive slave, and the Mexican prisoner on parole, and the Indian come to plead the wrongs of his race should find them; on that separate, but more free and honorable, ground, where the State places those who are not *with* her, but *against* her,—the only house in a slave State in which a free man can abide with honor. If any think that their influence would be lost there, and their voices no longer afflict the ear of the State, that they would not be as an enemy within its walls, they do not know by how much truth is stronger than error, nor how much more eloquently and effectively he can combat injustice who has experienced a little in his own person. Cast your whole vote, not a strip of paper merely, but your whole influence. A minority is powerless while it conforms to the majority; it is not even a minority then; but it is irresistible when it clogs by its whole weight. If the alternative is to keep all just men in prison, or give up war and slavery, the State will not hesitate which to choose. If a thousand men were not to pay their tax-bills this year, that would not be a violent and bloody measure, as it would be to pay them, and enable the State to commit violence and shed innocent blood. This is, in fact, the definition of a peaceable revolution, if any such is possible. If the tax-gatherer, or any other public officer, asks me, as one has done, "But what shall I do?" my answer is, "If you really wish to do anything, resign your office." When the subject has refused allegiance, and the officer has resigned his office, then the revolution is accomplished. But even suppose blood should flow. Is there not a sort of blood shed when the conscience is wounded? Through this wound a man's real manhood and immortality flow out, and he bleeds to an everlasting death. I see this blood flowing now.

I have contemplated the imprisonment of the offender, rather than the seizure of his goods,—though both will serve the same purpose,—because they who assert the purest right, and consequently are most dangerous to a corrupt State, commonly have not spent much time in accumulating property. To such the State renders comparatively small service, and a slight tax is wont to appear exorbitant, particularly if they are obliged to earn it by special labor with their hands. If there were one who lived wholly without the use of money, the State itself would hesitate to demand it of him. But the rich man—not to make any invidious comparison—is always sold to the institution which makes him rich. Absolutely speaking, the more money, the less virtue; for money comes between a man and his objects, and obtains them for him; and it was certainly no great virtue to obtain it. It puts to rest many questions which he would otherwise be taxed to answer; while the only new question which it puts is the hard but superfluous one, how to spend it. Thus his moral ground is taken from under his feet. The opportunities of living are diminished in proportion as what are called the "means" are increased. The best thing a man can do for his culture when he is rich is to endeavor to carry out those schemes which he entertained when he was poor. Christ answered the Herodians according to their condi-

tion. "Show me the tribute-money," said he;—and one took a penny out of his pocket;—if you use money which has the image of Cæsar on it, and which he has made current and valuable, that is, *if you are men of the State*, and gladly enjoy the advantages of Cæsar's government, then pay him back some of his own when he demands it. "Render therefore to Cæsar that which is Cæsar's, and to God those things which are God's,"—leaving them no wiser than before as to which was which; for they did not wish to know.

When I converse with the freest of my neighbors, I perceive that, whatever they may say about the magnitude and seriousness of the question, and their regard for the public tranquillity, the long and the short of the matter is, that they cannot spare the protection of the existing government, and they dread the consequences to their property and families of disobedience to it. For my own part, I should not like to think that I ever rely on the protection of the State. But, if I deny the authority of the State when it presents its tax-bill, it will soon take and waste all my property, and so harass me and my children without end. This is hard. This makes it impossible for a man to live honestly, and at the same time comfortably, in outward respects. It will not be worth the while to accumulate property; that would be sure to go again. You must hire or squat somewhere, and raise but a small crop, and eat that soon. You must live within yourself, and depend upon yourself always tucked up and ready for a start, and not have many affairs. A man may grow rich in Turkey even, if he will be in all respects a good subject of the Turkish government. Confucius said: "If a state is governed by the principles of reason, poverty and misery are subjects of shame; if a state is not governed by the principles of reason, riches and honors are the subjects of shame." No: until I want the protection of Massachusetts to be extended to me in some distant Southern port, where my liberty is endangered, or until I am bent solely on building up an estate at home by peaceful enterprise, I can afford to refuse allegiance to Massachusetts, and her right to my property and life. It costs me less in every sense to incur the penalty of disobedience to the State than it would to obey. I should feel as if I were worth less in that case.

Some years ago, the State met me in behalf of the Church, and commanded me to pay a certain sum toward the support of a clergyman whose preaching my father attended, but never I myself. "Pay," it said, "or be locked up in the jail." I declined to pay. But, unfortunately, another man saw fit to pay it. I did not see why the schoolmaster should be taxed to support the priest, and not the priest the schoolmaster; for I was not the State's schoolmaster, but I supported myself by voluntary subscription. I did not see why the lyceum should not present its tax-bill, and have the State to back its demand, as well as the Church. However, at the request of the selectmen, I condescended to make some such statement as this in writing:—"Know all men by these presents, that I, Henry Thoreau, do not wish to be regarded as a member of any incorporated society which I have not joined." This I gave to the town clerk; and he has it. The State, having thus learned that I did not wish to be regarded as a member of that church, has never made a like demand on me since; though it said that it must adhere to its original presumption that time. If I had known how to name them, I should then have signed off in detail from all the societies which I never signed on to; but I did not know where to find a complete list.

I have paid no poll-tax for six years. I was put into a jail once on this account, for one night; and, as I stood considering the walls of solid stone, two or three feet thick, the door of wood and iron, a foot thick, and the iron grating which strained the light, I could not help being struck with the foolishness of that institution which treated me as if I were mere flesh and blood and bones, to be locked up. I wondered that it should have concluded at length that this was the best use it could put me to, and had never thought to avail itself of my services in some way. I saw that, if there was a wall of stone between me and my townsmen, there was a still more difficult one to climb or break through before they could get to be as free as I was. I did not for a moment feel confined, and the walls seemed a great waste of stone and mortar. I felt as if I alone of all my townsmen had paid my tax. They plainly did not know how to treat me, but behaved like persons who are underbred. In every threat and in every compliment there was a blunder; for they thought that my chief desire was to stand the other side of that stone wall. I could not but smile to see how industriously they locked the door on my meditations, which followed them out again without let or hindrance, and *they* were really all that was dangerous. As they could not reach me, they had resolved to punish my body; just as boys, if they cannot come at some person against whom they have a spite, will abuse his dog. I saw that the State was half-witted, that it was timid as a lone woman with her silver spoons, and that it did not know its friends from its foes, and I lost all my remaining respect for it, and pitied it.

Thus the State never intentionally confronts a man's sense, intellectual or moral, but only his body, his senses. It is not armed with superior wit or honesty, but with superior physical strength. I was not born to be forced. I will breathe after my own fashion. Let us see who is the strongest. What force has a multitude? They only can force me who obey a higher law than I. They force me to become like themselves. I do not hear of *men* being *forced* to live this way or that by masses of men. What sort of life were that to live? When I meet a government which says to me, "Your money or your life," why should I be in haste to give it my money? It may be in a great strait, and not know what to do: I cannot help that. It must help itself; do as I do. It is not worth the while to snivel about it. I am not responsible for the successful working of the machinery of society. I am not the son of the engineer. I perceive that, when an acorn and a chestnut fall side by side, the one does not remain inert to make way for the other, but both obey their own laws, and spring and grow and flourish as best they can, till one, perchance, overshadows and destroys the other. If a plant cannot live according to its nature, it dies; and so a man.

The night in prison was novel and interesting enough. The prisoners in their shirt-sleeves were enjoying a chat and the evening air in the doorway, when I entered. But the jailer said, "Come, boys, it is time to lock up;" and so they dispersed, and I heard the sound of their steps returning into the hollow apartments. My roommate was introduced to me by the jailer as "a first-rate fellow and a clever man." When the door was locked, he showed me where to hang my hat, and how he managed matters there. The rooms were whitewashed once a month; and this one, at least, was the whitest, most simply furnished, and probably the neatest apartment in the town. He naturally wanted to know where I came from, and what brought me there; and, when I had told him, I asked him in my turn how he came there, presuming him to be an honest man, of course; and, as the world goes, I believe he was. "Why," said he, "they accuse me of burning a barn; but I never did it." As near as I could discover, he had probably gone to bed in a barn when drunk, and smoked his pipe there; and so a barn was burnt. He had the reputation of being a clever man, had been there some three months waiting for his trial to come on, and would have to wait as much longer; but he was quite domesticated and contented, since he got his board for nothing, and thought that he was well treated.

He occupied one window, and I the other; and I saw that if one stayed there long, his principal business would be to look out the window. I had soon read all the tracts that were left there, and examined where former prisoners had broken out, and where a grate had been sawed off, and heard the history of the various occupants of that room; for I found that even here there was a history and a gossip which never circulated beyond the walls of the jail. Probably this is the only house in the town where verses are composed, which are afterward printed in a circular form, but not published. I was shown quite a long list of verses which were composed by some young men who had been detected in an attempt to escape, who avenged themselves by singing them.

I pumped my fellow-prisoner as dry as I could, for fear I should never see him again; but at length he showed me which was my bed, and left me to blow out the lamp.

It was like traveling into a far country, such as I had never expected to behold, to lie there for one night. It seemed to me that I never had heard the town clock strike before, nor the evening sounds of the village; for we slept with the windows open, which were inside the grating. It was to see my native village in the light of the Middle Ages, and our Concord was turned into a Rhine stream, and visions of knights and castles passed before me. They were the voices of old burghers that I heard in the streets. I was an involuntary spectator and auditor of whatever was done and said in the kitchen of the adjacent village inn,—a wholly new and rare experience to me. It was a closer view of my native town. I was fairly inside of it. I never had seen its institutions before. This is one of its peculiar institutions; for it is a shire town. I began to comprehend what its inhabitants were about.

In the morning, our breakfasts were put through the hole in the door, in small oblong-square tin pans, made to fit, and holding a pint of chocolate, with brown bread, and an iron spoon. When they called for the vessels again, I was green enough to return what bread I had left; but my comrade seized it, and said that I should lay that up for lunch or dinner. Soon after he was let out to work at haying in a neighboring field, whither he went every day, and would not be back till noon; so he bade me good-day, saying that he doubted if he should see me again.

When I came out of prison,—for some one interfered, and paid that tax,—I did not perceive that great changes had taken place on the common, such as he observed who went in a youth and emerged a tottering and gray-headed man; and yet a change had to my eyes come over the

scene,—the town, and State, and country,—greater than any that mere time could effect. I saw yet more distinctly the State in which I lived. I saw to what extent the people among whom I lived could be trusted as good neighbors and friends; that their friendship was for summer weather only; that they did not greatly propose to do right; that they were a distinct race from me by their prejudices and superstitions, as the Chinamen and Malays are; that in their sacrifices to humanity they ran no risks, not even to their property; that after all they were not so noble but they treated the thief as he had treated them, and hoped, by a certain outward observance and a few prayers, and by walking in a particular straight though useless path from time to time, to save their souls. . . .

No man with a genius for legislation has appeared in America. They are rare in the history of the world. There are orators, politicians, and eloquent men, by the thousand; but the speaker has not yet opened his mouth to speak who is capable of settling the much-vexed questions of the day. We love eloquence for its own sake, and not for any truth which it may utter, or any heroism it may inspire. Our legislators have not yet learned the comparative value of free trade and of freedom, of union, and of rectitude, to a nation. They have no genius or talent for comparatively humble questions of taxation and finance, commerce and manufactures and agriculture. If we were left solely to the wordy wit of legislators in Congress for our guidance, uncorrected by the seasonable experience and the effectual complaints of the people, America would not long retain her rank among the nations. For eighteen hundred years, though perchance I have no right to say it, the New Testament has been written; yet where is the legislator who has wisdom and practical talent enough to avail himself of the light which it sheds on the science of legislation?

The authority of government, even such as I am willing to submit to,—for I will cheerfully obey those who know and can do better than I, and in many things even those who neither know nor can do so well,—is still an impure one: to be strictly just, it must have the sanction and consent of the governed. It can have no pure right over my person and property but what I concede to it. The progress from an absolute to a limited monarchy, from a limited monarchy to a democracy, is a progress toward a true respect for the individual. Even the Chinese philosopher was wise enough to regard the individual as the basis of the empire. Is a democracy, such as we know it, the last improvement possible in government? Is it not possible to take a step further towards recognizing and organizing the rights of man? There will never be a really free and enlightened State until the State comes to recognize the individual as a higher and independent power, from which all its own power and authority are derived, and treats him accordingly. I please myself with imagining a State at last which can afford to be just to all men, and to treat the individual with respect as a neighbor; which even would not think it inconsistent with its own repose if a few were to live aloof from it, not meddling with it, nor embraced by it, who fulfilled all the duties of neighbors and fellow-men. A State which bore this kind of fruit, and suffered it to drop off as fast as it ripened, would prepare the way for a still more perfect and glorious State, which also I have imagined, but not yet anywhere seen.

JOHN C. CALHOUN

Like Webster, Calhoun spoke for his section, following its changes of fortune and reinforcing by his influence the political tendencies latent in its economy. As Webster moved from free trade and a degree of particularism to protection and worship of the Union, so Calhoun proceeded from an initially nationalist position to the rigidity of Constitutional interpretation which seemed demanded by his section's needs.

An upcountry South Carolinian who was brought to the lower country by marriage, Scotch-Irish in descent and New England in the later stages of his education, John Caldwell Calhoun (1782–1850) displays, in political thought, something of the Puritan combination of rigid logic in approach and intensity in conviction. Though Calhoun had demonstrated his political philosophy in the struggle over nullification, it was not until nearly two decades later that he made a systematic presentation of his ideas on the nature of government. It was in the interval between Congress's rising in 1848

and its reconvening in 1849 that Calhoun retired to write *A Disquisition on Government*. Northern representatives had demanded that slavery be excluded from the territory acquired from Mexico. Southern extremists declared themselves ready to secede if such a law were passed. Moderates appealed for union, and Calhoun set about recalling his countrymen to true principles in politics.

Man is born a social animal and yet is preoccupied with his personal concerns, Calhoun begins. Out of these facts arise conflict and a consequent need for government. Government has an inherent tendency to abuse its powers but that may be curbed by the devising of a judicious constitution.

Yet mere limitation of a government's powers or its establishment on a suffrage basis is not capable of checking the tendency to usurpation which exists in governments. Communities embrace separate interests each of which seeks to control government; for government alone, by its powers of taxation, can benefit one portion of the commonwealth at the others' expense. The only practical difference between absolutist and suffrage states is found in the greater influence of parties in the latter and the possibility that minorities may become majorities. Yet even that will not secure one interest against oppression by others. Since neither the limitation of government's power nor the extension of suffrage can check its necessary tendency to usurpation, and those who would enforce existing restrictions of its power are termed "mere abstractionists," the constitution will be entirely subverted unless some new method can be found.

That method lies in balancing the numerical majority with a concurrent majority won by the consent of the interests concerned in the operation of any proposed measure. The community would be united by the enforced prevalence of compromise as well as by the elimination of party as a dominant political force. The introduction of the concurrent majority would not restrict but enhance and develop that liberty which is a social achievement—the "reward reserved for the intelligent, patriotic, virtuous and deserving"—and not at all a natural right, since such liberty does not exist in any nature known to man.

The idea of the concurrent majority may be hard to apply, but all governments except absolutisms have their difficulties. It will not paralyze action, for the need to prevent anarchy will make clashing interests compromise when action is really needed. The Roman Republic, the Six Nations of the Iroquois, and the Kingdom of Poland all operated on the basis of the concurrent majority and all were successful and well governed in their time. Thus Calhoun, by attacking the Lockian ideas of natural rights and popular sovereignty, ends by rejecting the principles upon which the American Republic was founded. His work, in other words, is a theoretical defense of slavery —and of aristocracy.

From general philosophy and historical background, Calhoun proceeded to *A Disquisition on the Constitution and Government of the United States*. Though this is rather an accumulation of notes than a book, it presents several suggestive points beyond Calhoun's well-known scheme for applying the concurrent majority through the device of a dual executive. Parties have become sectional as the government grew centralized, he notes. It was the rise of party which made Abolitionism important, for it is the nature of party to neglect principle in its eagerness to win votes. Persistence in the present attempt to govern the United States by mere numerical majority will lead to monarchy or disunion. If the Union is to be preserved, it must return to federal principles. The judiciary acts must be repealed and the states freed from subjection to the Supreme Court. The power to tax should be limited and the executive restrained. In addition, that executive should be reconstituted. Each section should elect a president. One of these should have charge of domestic affairs and the other be entrusted with our foreign concerns, while the consent of both would be necessary for any legislation. In this way, the overweening

power of the North would be curbed for all time, and true federal balance restored to the government of the United States.

The passage here reprinted, from *A Disquisition on Government*, is taken from Calhoun's *Works*, Vol. I (New York, 1854).

A Disquisition on Government

BY JOHN C. CALHOUN

But GOVERNMENT, although intended to protect and preserve society, has itself a strong tendency to disorder and abuse of its powers, as all experience and almost every page of history testify. The cause is to be found in the same constitution of our nature which makes government indispensable. The powers which it is necessary for government to possess, in order to repress violence and preserve order, cannot execute themselves. They must be adminstered by men in whom, like others, the individual are stronger than the social feelings. And hence, the powers vested in them to prevent injustice and oppression on the part of others, will, if left unguarded, be by them converted into instruments to oppress the rest of the community. That, by which this is prevented, by whatever name called, is what is meant by CONSTITUTION, in its most comprehensive sense, when applied to GOVERNMENT.

Having its origin in the same principle of our nature, *constitution* stands to *government*, as *government* stands to *society;* and, as the end for which society is ordained, would be defeated without government, so that for which government is ordained would, in a great measure, be defeated without constitution. But they differ in this striking particular. There is no difficulty in forming government. It is not even a matter of choice, whether there shall be one or not. Like breathing, it is not permitted to depend on our volition. Necessity will force it on all communities in some one form or another. Very different is the case as to constitution. Instead of a matter of necessity, it is one of the most difficult tasks imposed on man to form a constitution worthy of the name; while, to form a perfect one,—one that would completely counteract the tendency of government to oppression and abuse, and hold it strictly to the great ends for which it is ordained,—has thus far exceeded human wisdom, and possibly ever will. From this, another striking difference results. Constitution is the contrivance of man, while government is of Divine ordination. Man is left to perfect what the wisdom of the Infinite ordained, as necessary to preserve the race.

With these remarks, I proceed to the consideration of the important and difficult question: How is this tendency of government to be counteracted? Or, to express it more fully,—How can those who are invested with the powers of government be prevented from employing them, as the means of aggrandizing themselves, instead of using them to protect and preserve society? It cannot be done by instituting a higher power to control the government, and those who administer it. This would be but to change the seat of authority, and to make this higher power, in reality, the government; with the same tendency, on the part of those who might control its powers, to pervert them into instruments of aggrandizement. Nor can it be done by limiting the powers of government, so as to make it too feeble to be made an instrument of abuse; for, passing by the difficulty of so limiting its powers, without creating a power higher than the government itself to enforce the observance of the limitations, it is a sufficient objection that it would, if practicable, defeat the end for which government is ordained, by making it too feeble to protect and preserve society. The powers necessary for this purpose will ever prove sufficient to aggrandize those who control it, at the expense of the rest of the community.

In estimating what amount of power would be requisite to secure the objects of government, we must take into the reckoning, what would be necessary to defend the community against external, as well as internal dangers. Government must be able to repel assaults from abroad, as well as to repress violence and disorders within. It must not be overlooked, that the human race is not comprehended in a single society or community. The limited reason and faculties of man, the great diversity of language, customs, pursuits, situation and complexion, and the difficulty of intercourse, with various other causes, have, by their operation, formed a great many separate communities, acting independently of each other. Between these there is the same tendency to conflict,—and from the same constitution of our nature,—as between men individually; and even stronger,—because the sympathetic or social feelings are not so strong between different communities, as between indi-

viduals of the same community. So powerful, indeed, is this tendency, that it has led to almost incessant wars between contiguous communities for plunder and conquest, or to avenge injuries, real or supposed.

So long as this state of things continues, exigencies will occur, in which the entire powers and resources of the community will be needed to defend its existence. When this is at stake, every other consideration must yield to it. Self-preservation is the supreme law, as well with communities as individuals. And hence the danger of withholding from government the full command of the power and resources of the state; and the great difficulty of limiting its powers consistently with the protection and preservation of the community. And hence the question recurs,—By what means can government, without being divested of the full command of the resources of the community, be preserved from abusing its powers? . . .

How government, then, must be constructed, in order to counteract, through its organism, this tendency on the part of those who make and execute the laws to oppress those subject to their operation, is the next question which claims attention.

There is but one way in which this can possibly be done; and that is, by such an organism as will furnish the ruled with the means of resisting successfully this tendency on the part of the rulers to oppression and abuse. Power can only be resisted by power,—and tendency by tendency. Those who exercise power and those subject to its exercise,—the rulers and the ruled,—stand in antagonistic relations to each other. The same constitution of our nature which leads rulers to oppress the ruled,—regardless of the object for which government is ordained,—will, with equal strength, lead the ruled to resist, when possessed of the means of making peaceable and effective resistance. Such an organism, then, as will furnish the means by which resistance may be systematically and peaceably made on the part of the ruled, to oppression and abuse of power on the part of the rulers, is the first and indispensable step towards *forming* a constitutional government. And as this can only be effected by or through the right of suffrage,—(the right on the part of the ruled to chose their rulers at proper intervals, and to hold them thereby responsible for their conduct,)—the responsibility of the rulers to the ruled, through the right of suffrage, is the indispensable and primary principle in the *foundation* of a constitutional government. When this right is properly guarded, and the people sufficiently enlightened to understand their own rights and the interests of the community, and duly to appreciate the motives and conduct of those appointed to make and execute the laws, it is all-sufficient to give to those who elect, effective control over those they have elected.

I call the right of suffrage the indispensable and primary principle; for it would be a great and dangerous mistake to suppose, as many do, that it is, of itself, sufficient to form constitutional governments. To this erroneous opinion may be traced one of the causes, why so few attempts to form constitutional governments have succeeded; and why, of the few which have, so small a number have had durable existence. It has led, not only to mistakes in the attempts to form such governments, but to their overthrow, when they have, by some good fortune, been correctly formed. So far from being, of itself, sufficient,—however well guarded it might be, and however enlightened the people,—it would, unaided by other provisions, leave the government as absolute, as it would be in the hands of irresponsible rulers; and with a tendency, at least as strong, towards oppression and abuse of its powers; as I shall next proceed to explain.

The right of suffrage, of itself, can do no more than give complete control to those who elect, over the conduct of those they have elected. In doing this, it accomplishes all it possibly can accomplish. This is its aim,—and when this is attained, its end is fulfilled. It can do no more, however enlightened the people, or however widely extended or well guarded the right may be. The sum total, then, of its effects, when most successful, is, to make those elected, the true and faithful representatives of those who elected them,—instead of irresponsible rulers,—as they would be without it; and thus, by converting it into an agency, and the rulers into agents, to divest government of all claims to sovereignty, and to retain it unimpaired to the community. But it is manifest that the right of suffrage, in making these changes, transfers, in reality, the actual control over the government, from those who make and execute the laws, to the body of the community; and, thereby, places the powers of the government as fully in the mass of the community, as they would be if they, in fact, had assembled, made, and executed the laws themselves, without the intervention of representatives or agents. The more perfectly it does this, the more perfectly it accomplishes its ends; but in doing so, it only changes the seat of authority, without counteracting, in the least, the tendency of the government to oppression and abuse of its powers.

If the whole community had the same interests, so that the interests of each and every portion

would be so affected by the action of the government, that the laws which oppressed or impoverished one portion, would necessarily oppress and impoverish all others,—or the reverse,—then the right of suffrage, of itself, would be all-sufficient to counteract the tendency of the government to oppression and abuse of its powers; and, of course, would form, of itself, a perfect constitutional government. The interest of all being the same, by supposition, as far as the action of the government was concerned, all would have like interests as to what laws should be made, and how they should be executed. All strife and struggle would cease as to who should be elected to make and execute them. The only question would be, who was most fit; who the wisest and most capable of understanding the common interest of the whole. This decided, the election would pass off quietly, and without party discord; as no one portion could advance its own peculiar interest without regard to the rest, by electing a favorite candidate.

But such is not the case. On the contrary, nothing is more difficult than to equalize the action of the government, in reference to the various and diversified interests of the community; and nothing more easy than to pervert its powers into instruments to aggrandize and enrich one or more interests by oppressing and impoverishing the others; and this too, under the operation of laws, couched in general terms;—and which, on their face, appear fair and equal. Nor is this the case in some particular communities only. It is so in all; the small and the great,—the poor and the rich,—irrespective of pursuits, productions, or degrees of civilization;—with, however, this difference, that the more extensive and populous the country, the more diversified the condition and pursuits of its population, and the richer, more luxurious, and dissimilar the people, the more difficult is it to equalize the action of the government,—and the more easy for one portion of the community to pervert its powers to oppress, and plunder the other.

Such being the case, it necessarily results, that the right of suffrage, by placing the control of the government in the community must, from the same constitution of our nature which makes government necessary to preserve society, lead to conflict among its different interests,—each striving to obtain possession of its powers, as the means of protecting itself against the others;—or of advancing its respective interests, regardless of the interests of others. For this purpose, a struggle will take place between the various interests to obtain a majority, in order to control the government. If no one interest be strong enough, of itself, to obtain it, a combination will be formed between those whose interests are most alike;—each conceding something to the others, until a sufficient number is obtained to make a majority. The process may be slow, and much time may be required before a compact, organized majority can be thus formed; but formed it will be in time, even without preconcert or design, by the sure workings of that principle or constitution of our nature in which government itself originates. When once formed, the community will be divided into two great parties,—a major and minor,—between which there will be incessant struggles on the one side to retain, and on the other to obtain the majority,—and, thereby, the control of the government and the advantages it confers.

So deeply seated, indeed, is this tendency to conflict between the different interests or portions of the community, that it would result from the action of the government itself, even though it were possible to find a community, where the people were all of the same pursuits, placed in the same condition of life, and in every respect, so situated, as to be without inequality of condition or diversity of interests. The advantages of possessing the control of the powers of the government, and, thereby, of its honors and emoluments, are, of themselves, exclusive of all other considerations, ample to divide even such a community into two great hostile parties. . . .

As, then, the right of suffrage, without some other provision, cannot counteract this tendency of government, the next question for consideration is—What is that other provision? This demands the most serious consideration; for of all the questions embraced in the science of government, it involves a principle, the most important, and the least understood; and when understood, the most difficult of application in practice. It is, indeed, emphatically, that principle which *makes* the constitution, in its strict and limited sense.

From what has been said, it is manifest, that this provision must be of a character calculated to prevent any one interest, or combination of interests, from using the powers of government to aggrandize itself at the expense of the others. Here lies the evil: and just in proportion as it shall prevent, or fail to prevent it, in the same degree it will effect, or fail to effect the end intended to be accomplished. There is but one certain mode in which this result can be secured; and that is, by the adoption of some restriction or limitation, which shall so effectually prevent any one interest, or combination of interests, from obtaining the exclusive control of the government, as to

render hopeless all attempts directed to that end. There is, again, but one mode in which this can be effected; and that is, by taking the sense of each interest or portion of the community, which may be unequally and injuriously affected by the action of the government, separately, through its own majority, or in some other way by which its voice may be fairly expressed; and to require the consent of each interest, either to put or to keep the government in action. This, too, can be accomplished only in one way,—and that is, by such an organism of the government,—and, if necessary for the purpose, of the community also,—as will, by dividing and distributing the powers of government, give to each division or interest, through its appropriate organ, either a concurrent voice in making and executing the laws, or a veto on their execution. It is only by such an organism, that the assent of each can be made necessary to put the government in motion; or the power made effectual to arrest its action, when put in motion;—and it is only by the one or the other that the different interests, orders, classes, or portions, into which the community may be divided, can be protected, and all conflict and struggle between them prevented,—by rendering it impossible to put or to keep it in action, without the concurrent consent of all.

Such an organism as this, combined with the right of suffrage, constitutes, in fact, the elements of constitutional government. The one, by rendering those who make and execute the laws responsible to those on whom they operate, prevents the rulers from oppressing the ruled; and the other, by making it impossible for any one interest or combination of interests or class, or order, or portion of the community, to obtain exclusive control, prevents any one of them from oppressing the other. It is clear, that oppression and abuse of power must come, if at all, from the one or the other quarter. From no other can they come. It follows, that the two, suffrage and proper organism combined, are sufficient to counteract the tendency of government to oppression and abuse of power; and to restrict it to the fulfilment of the great ends for which it is ordained. . . .

It results, from what has been said, that there are two different modes in which the sense of the community may be taken; one, simply by the right of suffrage, unaided; the other, by the right through a proper organism. Each collects the sense of the majority. But one regards numbers only, and considers the whole community as a unit, having but one common interest throughout; and collects the sense of the greater number of the whole, as that of the community. The other, on the contrary, regards interests as well as numbers;—considering the community as made up of different and conflicting interests, as far as the action of the government is concerned; and takes the sense of each, through its majority or appropriate organ, and the united sense of all, as the sense of the entire community. The former of these I shall call the numerical, or absolute majority; and the latter, the concurrent, or constitutional majority. I call it the constitutional majority, because it is an essential element in every constitutional government,—be its form what it may. So great is the difference, politically speaking, between the two majorities, that they cannot be confounded, without leading to great and fatal errors; and yet the distinction between them has been so entirely overlooked, that when the term *majority* is used in political discussions, it is applied exclusively to designate the numerical,—as if there were no other. Until this distinction is recognized, and better understood, there will continue to be great liability to error in properly constructing constitutional governments, especially of the popular form, and of preserving them when properly constructed. Until then, the latter will have a strong tendency to slide, first, into the government of the numerical majority, and, finally, into absolute government of some other form. . . .

The principle, in all communities, according to these numerous and various causes, assigns to power and liberty their proper spheres. To allow to liberty, in any case, a sphere of action more extended than this assigns, would lead to anarchy; and this, probably, in the end, to a contraction instead of an enlargement of its sphere. Liberty, then, when forced on a people unfit for it, would, instead of a blessing, be a curse; as it would, in its reaction, lead directly to anarchy,—the greatest of all curses. No people, indeed, can long enjoy more liberty than that to which their situation and advanced intelligence and morals fairly entitle them. If more than this be allowed, they must soon fall into confusion and disorder,—to be followed, if not by anarchy and despotism, by a change to a form of government more simple and absolute; and, therefore, better suited to their condition. And hence, although it may be true, that a people may not have as much liberty as they are fairly entitled to, and are capable of enjoying,—yet the reverse is unquestionably true,—that no people can long possess more than they are fairly entitled to.

Liberty, indeed, though among the greatest of blessings, is not so great as that of protection; inasmuch, as the end of the former is the progress and improvement of the race,—while that of the

latter is its preservation and perpetuation. And hence, when the two come into conflict, liberty must, and ever ought, to yield to protection; as the existence of the race is of greater moment than its improvement.

It follows, from what has been stated, that it is a great and dangerous error to suppose that all people are equally entitled to liberty. It is a reward to be earned, not a blessing to be gratuitously lavished on all alike;—a reward reserved for the intelligent, the patriotic, the virtuous and deserving;—and not a boon to be bestowed on a people too ignorant, degraded and vicious, to be capable either of appreciating or of enjoying it. Nor is it any disparagement to liberty, that such is, and ought to be the case. On the contrary, its greatest praise,—its proudest distinction is, that an all-wise Providence has reserved it, as the noblest and highest reward for the development of our faculties, moral and intellectual. A reward more appropriate than liberty could not be conferred on the deserving;—nor a punishment inflicted on the undeserving more just, than to be subject to lawless and despotic rule. This dispensation seems to be the result of some fixed law;—and every effort to disturb or defeat it, by attempting to elevate a people in the scale of liberty, above the point to which they are entitled to rise, must ever prove abortive, and end in disappointment. The progress of a people rising from a lower to a higher point in the scale of liberty, is necessarily slow;—and by attempting to precipitate, we either retard, or permanently defeat it.

There is another error, not less great and dangerous, usually associated with the one which has just been considered. I refer to the opinion, that liberty and equality are so intimately united, that liberty cannot be perfect without perfect equality.

That they are united to a certain extent,—and that equality of citizens, in the eyes of the law, is essential to liberty in a popular government, is conceded. But to go further, and make equality of *condition* essential to liberty, would be to destroy both liberty and progress. The reason is, that inequality of condition, while it is a necessary consequence of liberty, is, at the same time, indispensable to progress. In order to understand why this is so, it is necessary to bear in mind, that the main spring to progress is, the desire of individuals to better their condition; and that the strongest impulse which can be given to it is, to leave individuals free to exert themselves in the manner they may deem best for that purpose, as far at least as it can be done consistently with the ends for which government is ordained,—and to secure to all the fruits of their exertions. Now, as individuals differ greatly from each other, in intelligence, sagacity, energy, perseverance, skill, habits of industry and economy, physical power, position and opportunity,—the necessary effect of leaving all free to exert themselves to better their condition, must be a corresponding inequality between those who may possess these qualities and advantages in a high degree, and those who may be deficient in them. The only means by which this result can be prevented are, either to impose such restrictions on the exertions of those who may possess them in a high degree, as will place them on a level with those who do not; or to deprive them of the fruits of their exertions. But to impose such restrictions on them would be destructive of liberty,—while, to deprive them of the fruits of their exertions, would be to destroy the desire of bettering their condition. It is, indeed, this inequality of condition between the front and rear ranks, in the march of progress, which gives so strong an impulse to the former to maintain their position, and to the latter to press forward into their files. This gives to progress its greatest impulse. To force the front rank back to the rear, or attempt to push forward the rear into line with the front, by the interposition of the government, would put an end to the impulse, and effectually arrest the march of progress.

These great and dangerous errors have their origin in the prevalent opinion that all men are born free and equal;—than which nothing can be more unfounded and false. It rests upon the assumption of a fact, which is contrary to universal observation, in whatever light it may be regarded. It is, indeed, difficult to explain how an opinion so destitute of all sound reason, even could have been so extensively entertained, unless we regard it as being confounded with another, which has some semblance of truth;—but which, when properly understood, is not less false and dangerous. I refer to the assertion, that all men are equal in the state of nature; meaning, by a state of nature, a state of individuality, supposed to have existed prior to the social and political state; and in which men lived apart and independent of each other. If such a state ever did exist, all men would have been, indeed, free and equal in it; that is, free to do as they pleased, and exempt from the authority or control of others—as, by supposition, it existed anterior to society and government. But such a state is purely hypothetical. It never did, nor can exist; as it is inconsistent with the preservation and perpetuation of the race. It is, therefore, a great misnomer to call it *the state of nature*. Instead of being the natural state of man, it is, of all conceiv-

able states, the most opposed to his nature—most repugnant to his feelings, and most incompatible with his wants. His natural state is, the social and political—the one for which his Creator made him, and the only one in which he can preserve and perfect his race. As, then, there never was such a state as the, so called, state of nature, and never can be, it follows, that men, instead of being born in it, are born in the social and political state; and of course, instead of being born free and equal, are born subject, not only to parental authority, but to the laws and institutions of the country where born, and under whose protection they draw their first breath. . . .

RICHARD HILDRETH

THOUGH RICHARD HILDRETH (1809–1865) denied the theory of natural rights as firmly as did Calhoun, he arrived at an entirely different set of conclusions. Where Calhoun justified slavery, he upheld freedom; where Calhoun glorified the slave republics of the present on analogy with the slave republics of Greece and Rome, Hildreth noted, dryly, that Southern civilization combined the arrogance of aristocracy with the mean sharpness of the bourgeoisie while it produced neither the art of the first nor the comfort of the second. Hildreth is modern, too, in his reference to the "Age of the People" and in his vision of an abundance that only greater productivity can create. He rejects Utopianism on the one hand; he has confidence in America on the other.

Hildreth was a Massachusetts man, educated at Harvard and admitted to the bar. Like many other young men with legal training and literary ambition, he turned to newspaper writing and served as editor of the Boston *Atlas*, a Whig journal. He became interested in the antislavery movement almost at its beginnings; wrote a book on *Despotism in America;* and was responsible for one of the earlier antislavery novels, *Archy Moore, or the White Slave*, which went into seven editions before *Uncle Tom's Cabin* was published.

After two years in British Guiana, Hildreth returned to Boston where he began work on his *History of the United States*, a counterblast to Bancroft, which began appearing in 1844. Hildreth's factual, annalistic technique caused some criticism of the book as lacking in ideas, and his preface to the *Theory of Politics* (1853) hits at those who did not find any "philosophy" in the *History*.

In his *Theory of Politics*, Hildreth attempts a scientific inquiry into the foundation of governments and the cause and progress of political revolution. He begins by considering the nature of man; finds that the idea of a natural equality of rights leads logically to anarchism; examines the roots of power; classifies governments; and considers their effects on human happiness and civilization. He is a pluralist in approach but is inclined to the view "that wealth may justly be regarded, not indeed as the sole, but still as altogether the most important element of political power, able to purchase up the services of strength, skill, sagacity, force of will, activity, courage, knowledge, eloquence, and, to a certain extent also, the cooperation of the influence of virtue, of mystical ideas, of hereditary respect, and of the idea of property in power."

War, wealth, and mysticism combine to produce government, Hildreth concludes. As men pass from the hunting to the pastoral economy, paternal authority increases and chattel slavery is introduced. Pastoral peoples are apt to make war for profit and so to subdue agricultural peoples, which often, in their turn, subject their conquerors culturally. Divisions of sovereignty appear, as they did in Republican Rome with its Tribunate, and sometimes become intensified as they were during the feudal period. Feudalism transformed slaves into serfs and the municipalities of feudalism turned serfs into free men, equal in political rights and honoring labor. By their employ-

ment of hired troops and their accumulated wealth, the people of the towns helped the kings subdue the nobles. As royal absolutism grew, the kings were checked by the courts' assumption of power to legislate by pronouncing upon the law, a practice that extended royal authority on one hand while it blocked its excesses on the other.

From this analysis of ancient and medieval institutions, Hildreth proceeds to the Protestant Revolt, which strengthened the alliance between crown and church in all states, Protestant as well as Catholic. Continental theorists, faced by an exclusive nobility, set up the doctrine of equal natural right as a counterbalance to the divine right of kings, with a logical result in anarchism.

The French Revolution is not yet completed, Hildreth notes, but France would "not become an hereditary despotism in the Bonaparte family." Self-government is an art which requires something more than a day's practice. Republicanism in modern France has been blocked by the split between the burgher and the socialist elements in the Republican group.

Hildreth appeals for harmony in the ranks of the liberal forces. He regards democracy as the best, although the most difficult form of government, but he fears the influence of evangelical religion, chattel slavery, and the common law upon the progress of democracy in the United States. For all that, he is hopeful: nobility and priestcraft are wearing out; wealth and knowledge are being equalized; yet, under democracy, each can exercise its due force in government. And the day is not far off when government will pay attention to the great mass as well as to the groups that turn it to their own use. An increase in the productivity of labor will usher in the "Age of the People": thus Richard Hildreth, a century before Henry A. Wallace.

The selection here reprinted is from Hildreth's *Theory of Politics* (New York, 1853).

Theory of Politics

BY RICHARD HILDRETH

Concluding Chapter: Hopes and Hints as to the Future

In the cursory view taken in a preceding chapter of the history of Christendom for the last eight centuries, we have found that period divisible, without any very great forcing, into four ages of two centuries each, during which the Clergy, the Nobles, the Kings, and the Burghers successively enjoyed a certain headship and predominancy. But, besides these four ruling orders, we have also, during these centuries, caught some slight occasional glimpses of another order, to wit, the mass,—the delvers, agricultural and mechanical, those who work with their hands,—in numbers, at all times and every where, the great body of the people, but scarcely any where possessing political rights, and even where, by some fortunate chance, they have gained them, for the most part, speedily losing them again.

The clergy, the nobles, the kings, the burghers have all had their turn. Is there never to be an *Age of the People*—of the working classes?

Is the suggestion too extravagant, that the new period commencing with the middle of this current century is destined to be that age? Certain it is, that, within the last three quarters of a century, advocates have appeared for the mass of the people, the mere workers, and that movements, even during this age of the deification of money, and of reaction against the theory of human equality, have been made in their behalf such as were never known before.

We may enumerate first in the list of these movements the indignant protest against the African slave trade, and the combination for its suppression into which the governments of Christendom have been forced, by the efforts of a few humane individuals, appealing to the better feelings of their fellowcountrymen, and operating through them on the British and American governments. It has, indeed, become customary, among the advocates of money making, no matter by what means,—in which category we must place some London newspapers of great pretensions,—to sneer at the attempted suppression of the slave trade as a failure. It is true, that, by the connivance of the Portuguese, Brazilian, and Span-

ish authorities with scoundrel merchants, British and American, the trade still exists. But what is it compared with what it would be did it enjoy, as formerly, the patronage and favor of all the flags? and how much longer is it likely to flourish?

We may mention next among these movements on behalf of the laboring class the abolition of chattel slavery in so many of the ultramarine offshoots from Europe; not alone by the strong hand of the slaves themselves, as in Hayti; not alone in consequence of protracted civil war,—a consequence generally pretty certain to follow,—as in the Spanish-American republics; but also from a mere sense of shame and wrong, as in the now (so called) free states of the North American Union; and from an impulse of humanity and justice, even at a heavy outlay of money, as in the British tropical colonies.

We may mention further the subdivision which has been carried so far, in France, of the lands of that country among the actual cultivators; a subdivision objected to by certain British economists, as not so favorable to the production of wealth, a point, however, not to be hastily conceded—but which unquestionably does tend to give to the cultivators a certain social importance and political weight.

Let us add the system of savings banks, by which the English laborers for wages have been enabled to invest their savings in a comparatively safe and easy manner, and thus to share in that accumulation of wealth which forms so important an element of power.

Add further the constant advance and development of manufacturing industry, giving employment and high wages to a class of laborers vastly superior in intelligence to the stupid and thoughtless rustics by whom the fields of Europe are generally cultivated—a class among whom have arisen those Chartists and Socialists whom we have had occasion to notice, towards the close of our burgher age, as claimants for political rights; a class, in fact, from which the larger portion of the existing burgher class has itself derived its origin.

Such are some of the social changes which may be regarded as precursors and signs of the approaching Age of the People.

If the mass of the people are ever to be raised above the servile position in which they have been so long and so generally held, there would seem to be only one way in which it can be permanently and effectually done, viz., by imparting to them a vastly greater portion than they have ever yet possessed of those primary elements of power, sagacity, force of will, and knowledge, to be backed by the secondary elements of wealth and combination. Nor does the prospect of thus elevating them appear by any means one altogether so hopeless.

Whatever objections may be made to the existing distribution of riches, and to the artificial processes by which it is regulated,—subjects which will form important topics of the *Theory of Wealth*,—this at least must be conceded, that no mere redistribution of the existing mass of wealth could effectually answer the proposed purpose of elevating the people. Any such redistribution, even if means could be found—and they could not—to prevent this equalized wealth from running back again, more or less, into masses, would still leave every body poor, at the same time that it cut up by the roots a great mass of industrious occupations. What is vastly more important than the distribution of the actually accumulated wealth, is the distribution of the annual returns of human industry. But no redistribution even of that—though it might sweep away the existing comfortable class—would suffice, very materially, to elevate the condition of the great body of the people. Above and beyond any of these schemes of redistribution, in order to redeem the mass of the people from poverty and its incidents, a great increase in the amount both of accumulated wealth and of annual products is absolutely essential.

Here, indeed, we discover one great reason of the state of social depression in which the mass of the people have been, and still are, so generally held. The good things which the combined efforts of any given community can as yet produce are not enough to give hardly a taste to every body; and the masses have of necessity been kept at hard labor, on bread and water, while luxuries and even comforts have been limited to a few. Labor—the sole resource of the mass of the people—has been of little value, because labor has been able to produce but little; and the proceeds of the labor of production being so small, hence the greater stimulus to substitute in place of it fraud and violence as means of acquisition. The same man who will remorselessly cut your throat in the struggle for the scanty waters of a rivulet in the desert, not enough for the whole thirsty and gasping company, would readily share his cup with you did the stream only run a little fuller.

The first great necessity, then, of the human race is the increase of the productiveness of human labor. Science has done much in that respect within the last century, and in those to come is destined to do vastly more. Vast new fields are opening on our American continent, on which labor can be profitably employed. So far from

labor being the sole source of wealth, all-sufficient in itself, as certain political economists teach, nothing is more certain than that Europe has long suffered, and still suffers, from a plethora of labor —from being obliged to feed and clothe many for whom it has had nothing remunerative to do. The United States of America have now attained to such a development, that they are able easily to absorb from half a million to a million annually of immigrants from Europe. What is more, the laborers of Europe have found it out, and are rapidly emigrating. In so doing, not only do they change a barren field of labor for a fertile one, and at the same time relieve the pressure at home, but, by becoming themselves consumers, far more so than ever they were able to be at home, of the more artificial products of the countries from which they emigrate, they contribute doubly to raise the wages of those whom they have left behind.

The development of productive industry seems then to be at this moment one of the greatest and most crying necessities of the human race. But what is more essential to this development than peace and social order? It is not pusillanimity, then, on the part of the people of Europe, but an instinct, more or less conscious, of what they need most, that prompts them to submit for the present, without further struggle, to the rulers who have shown themselves to possess, for the time being, the power to govern—a power, let it be noted, quite too unstable, however, not to require, even in the view of those who possess it, great circumpection and moderation in its exercise. War and civil commotions, though sometimes necessary to the preservation of popular liberties, have very seldom indeed been the means of their acquisition; conspiracies hatched abroad, never. When the fruit is ripe, it will fall almost without shaking the tree. What prompts to anticipate that period is much oftener individual or class suffering or ambition than the true interest of the mass of the people. The greatest obstacle at this moment to the comparative political freedom of Europe, is the vast aggregation of power in the shape of standing armies. But how are these armies possibly to be got rid of, except by a certain interval of uninterrupted quiet, dispensing with their use, and such a contemporaneous increase in the value of labor as to make the maintenance in idleness of so many hands, instead of being, as it now is, a sort of substitute for a poor law, and a relief to the overstocked labor market, a useless sacrifice, and an expense too great for any community to submit to?

It surely is not from barricades and street insurrections, provoking the murder of quiet citizens in their own houses, by fusilades and grape shot, in the name of peace and order, but rather from a more careful, comprehensive, and profound study of social relations, joined to an interval of peaceful coöperation in the production of great economical results, that we are to hope for the dispersion and extinction of those unfortunate and unfounded antipathies, so rife at present between those who labor with their heads and those who labor with their hands; those who plan and those who execute—antipathies growing out of prevailing but mistaken theories of politics and political economy, which, by dividing the party of progress into two hostile sections, filled with jealousy, fear, and hatred of each other, have contributed so much more than any thing else to betray Samson, shorn, into the hands of the Philistines—jealousies, fears, and hatreds, not only the chief source of the discomfitures recently experienced by the popular cause, but which, so long as they shall continue, will render any further advancement of it hopeless.

This socialist question of the distribution of wealth once raised is not to be blinked out of sight. The claims set up by the socialists, based as they are upon philosophic theories of long standing, having, at least some of them, many ardent supporters even in the ranks of those who denounce the socialists the loudest, cannot be settled by declamations and denunciations, and mutual recriminations, any more than by bayonets and artillery. It is a question for philosophers; and until some solution of it can be reached which both sides shall admit to be conclusive, what the party of progress needs is not action—for which it is at present disqualified by internal dissensions—but deliberation and discussion. The engineers must first bridge this gulf of separation before all the drumming, and fifing, and shouting in the world can again unite the divided column, and put it into effectual motion.

THE AMERICAN SCENE

CHARLES DICKENS

THE UNITED STATES did not have an international copyright law in the forties. That made books cheap in America, but widely read English authors were inclined to feel annoyed at being called upon to educate the American public without reward. Charles Dickens (1812–1870) was certainly the most popular of these. He came to America in the early forties with a chip on his shoulder, but was received everywhere with noisy enthusiasm and generous hospitality. He returned to England to write two books about America—*American Notes for General Circulation* (1842) and the novel *Martin Chuzzlewit* (1844). In this way, Dickens had his revenge: America was no place for the civilized European.

It was in the earlier book that Dickens set forth the whole body of his impressions, and it was that which won him the unsparing criticism of the press he had attacked. Not all the comments of the *American Notes* are as ill-tempered as Dickens' account of the Mississippi: he found American skies astoundingly pure and American cities toylike in bright paint and clean red brick. America's freedom from beggary was gratifying, though New York's Five Points slum could take the palm from London's St. Giles.

American aspirations might be laudable enough, but, in practice, those ended by luring foreigners into investments which brought no dividends. American men spat tobacco juice in the presence of the women they pretended to reverence; fine American hotels balked at serving meals in a guest's room; canal boats kept comb and brush in convenient proximity to the bar's bread, cheese, and biscuits; and the country which boasted itself the home of liberty was also the home of the slave.

Many of his facts were undoubtedly true: the United States was still a brash, raw country and it did have a share of social meanness. But there were many favorable things Dickens did not choose to see—indeed, was incapable of seeing or understanding.

The passage here reprinted is from the *American Notes for General Circulation* (Boston and London, 1867).

American Notes for General Circulation

BY CHARLES DICKENS

CHAPTER XI: FROM PITTSBURG TO CINCINNATI IN A WESTERN STEAMBOAT.

THE MESSENGER was one among a crowd of high-pressure steamboats, clustered together by a wharfside, which, looked down upon from the rising ground that forms the landing-place, and backed by the lofty bank on the opposite side of the river, appeared no longer than so many floating models. She had some forty passengers on board, exclusive of the poorer persons on the lower deck; and in half an hour, or less, proceeded on her way.

We had, for ourselves, a tiny state-room with two berths in it, opening out of the ladies' cabin. There was, undoubtedly, something satisfactory in this 'location,' inasmuch as it was in the stern, and we had been a great many times very gravely recommended to keep as far aft as possible, 'because the steamboats generally blew up forward. Nor was this an unnecessary caution, as the occurrence and circumstances of more than one such fatality during our stay sufficiently testified. Apart from this source of self-congratulation, it was an unspeakable relief to have any place, no matter how confined, where one could be alone; and as

the row of little chambers of which this was one, had each a second glass door besides that in the ladies' cabin, which opened on a narrow gallery outside the vessel, where the other passengers seldom came, and where one could sit in peace and gaze upon the shifting prospect, we took possession of our new quarters with much pleasure.

If the native packets I have already described be unlike anything we are in the habit of seeing on water, these western vessels are still more foreign to all the ideas we are accustomed to entertain of boats. I hardly know what to liken them to, or how to describe them.

In the first place, they have no mast, cordage, tackle, rigging, or other such boat-like gear; nor have they anything in their shape at all calculated to remind one of a boat's head, stern, sides, or keel. Except that they are in the water, and display a couple of paddle-boxes, they might be intended, for anything that appears to the contrary, to perform some unknown service, high and dry, upon a mountain top. There is no visible deck, even: nothing but a long, black, ugly roof, covered with burnt-out feathery sparks; above which tower two iron chimneys, and a hoarse escape-valve, and a glass steerage-house. Then, in order as the eye descends towards the water, are the sides, and doors, and windows of the state-rooms, jumbled as oddly together as though they formed a small street, built by the varying tastes of a dozen men: the whole is supported on beams and pillars resting on a dirty barge, but a few inches above the water's edge: and in the narrow space between this upper structure and this barge's deck, are the furnace fires and machinery, open at the sides to every wind that blows, and every storm of rain it drives along its path.

Passing one of these boats at night, and seeing the great body of fire, exposed as I have just described, that rages and roars beneath the frail pile of painted wood: the machinery, not warded off or guarded in any way, but doing its work in the midst of the crowd of idlers and emigrants and children, who throng the lower deck: under the management, too, of reckless men whose acquaintance with its mysteries may have been of six months' standing: one feels directly that the wonder is, not that there should be so many fatal accidents, but that any journey should be safely made.

Within, there is one long narrow cabin, the whole length of the boat; from which the state-rooms open, on both sides. A small portion of it at the stern is partitioned off for the ladies; and the bar is at the opposite extreme. There is a long table down the centre, and at either end a stove. The washing apparatus is forward, on the deck. It is a little better than on board the canal boat,* but not much. In all modes of travelling, the American customs, with reference to the means of personal cleanliness and wholesome ablution, are extremely negligent and filthy; and I strongly incline to the belief that a considerable amount of illness is referable to this cause.

We are to be on board the Messenger three days: arriving at Cincinnati (barring accidents) on Monday morning. There are three meals a day. Breakfast at seven, dinner at half-past twelve, supper about six. At each, there are a great many small dishes and plates upon the table, with very little in them; so that although there is every appearance of a mighty 'spread,' there is seldom really more than a joint: except for those who fancy slices of beetroot, shreds of dried beef, complicated entanglements of yellow pickles; maize, Indian corn, apple-sauce, and pumpkin.

Some people fancy all these little dainties together (and sweet preserves beside), by way of relish to their roast pig. They are generally those dyspeptic ladies and gentlemen who eat unheard-of quantities of hot corn bread (almost as good for the digestion as a kneaded pin-cushion), for breakfast, and for supper. Those who do not observe this custom, and who help themselves several times instead, usually suck their knives and forks meditatively, until they have decided what to take next: then pull them out of their mouths; put them in the dish; help themselves; and fall to work again. At dinner, there is nothing to drink upon the table but great jugs full of cold water. Nobody says anything, at any meal, to anybody. All the passengers are very dismal, and seem to have tremendous secrets weighing on their minds. There is no conversation, no laughter, no cheerfulness, no sociality, except in spitting; and that is done in silent fellowship round the stove when the meal is over. Every man sits down, dull and languid, swallows his fare as if breakfasts, dinners, and suppers, were necessities of nature never to be coupled with recreation or enjoyment; and having bolted his food in a gloomy silence, bolts himself, in the

* The washing and dressing apparatus for the passengers generally consists of two jack-towels, three small wooden basins, a keg of water and a ladle to serve it out with, six square inches of lookingglass, two ditto ditto of yellow soap, a comb and brush for the head, and nothing for the teeth. Everybody uses the comb and brush, except myself. Everybody stares to see me using my own; and two or three gentlemen are strongly disposed to banter me on my prejudices, but don't.

same state. But for these animal observances, you might suppose the whole male portion of the company to be the melancholy ghosts of departed book-keepers, who had fallen dead at the desk: such is their weary air of business and calculation. Undertakers on duty would be sprightly beside them; and a collation of funeral-baked meats, in comparison with these meals, would be a sparkling festivity.

The people are all alike, too. There is no diversity of character. They travel about on the same errands, say and do the same things in exactly the same manner, and follow in the same dull cheerless round. All down the long table, there is scarcely a man who is in anything different from his neighbor. . . .

Chapter XII: From Cincinnati to Louisville in Another Western Steamboat

. . . Within a few minutes afterwards, we were out of the canal, and in the Ohio river again.

The arrangements of the boat were like those of the Messenger, and the passengers were of the same order of people. We fed at the same times, on the same kind of viands, in the same dull manner, and with the same observances. The company appeared to be oppressed by the same tremendous concealments, and had as little capacity of enjoyment or lightheartedness. I never in my life did see such listless, heavy dulness as brooded over these meals: the very recollection of it weighs me down, makes me, for the moment, wretched. Reading and writing on my knee, in our little cabin, I really dreaded the coming of the hour that summoned us to table; and was as glad to escape from it again, as if it had been a penance or a punishment. Healthy cheerfulness and good spirits forming a part of the banquet, I could soak my crusts in the fountain with Le Sage's strolling player, and revel in their glad enjoyment: but sitting down with so many fellow-animals to ward off thirst and hunger as a business; to empty, each creature, his Yahoo's trough as quickly as he can, and then slink sullenly away; to have these social sacraments stripped of everything but the mere greedy satisfaction of the natural cravings; goes so against the grain with me, that I seriously believe the recollection of these funeral feasts will be a waking nightmare to me all my life.

There was some relief in this boat, too, which there had not been in the other, for the captain (a blunt, good-natured fellow) had his handsome wife with him, who was disposed to be lively and agreeable, as were a few other lady-passengers who had their seats about us at the same end of the table. But nothing could have made head against the depressing influence of the general body. There was a magnetism of dulness in them which would have beaten down the most facetious companion that the earth ever knew. A jest would have been a crime, and a smile would have faded into a grinning horror. Such deadly leaden people; such systematic plodding weary insupportable heaviness; such a mass of animated indigestion in respect of all that was genial, jovial, frank, social, or hearty; never, sure, was brought together elsewhere since the world began.

Nor was the scenery, as we approached the junction of the Ohio and Mississippi rivers, at all inspiriting in its influence. The trees were stunted in their growth; the banks were low and flat; the settlements and log cabins fewer in number: their inhabitants more wan and wretched than any we had encountered yet. No songs of birds were in the air, no pleasant scents, no moving lights and shadows from swift passing clouds. Hour after hour, the changeless glare of the hot unwinking sky, shone upon the same monotonous objects. Hour after hour, the river rolled along, as wearily and slowly as the time itself.

At length, upon the morning of the third day we arrived at a spot so much more desolate than any we had yet beheld, that the forlornest places we had passed, were, in comparison with it, full of interest. At the junction of the two rivers, on ground so flat and low and marshy, that at certain seasons of the year it is inundated to the housetops, lies a breeding-place of fever, ague, and death; vaunted in England as a mine of Golden Hope, and speculated in, on the faith of monstrous representations, to many people's ruin. A dismal swamp, on which the half-built houses rot away: clearly here and there for the space of a few yards; and teeming, then, with rank unwholesome vegetation, in whose baleful shade the wretched wanderers who are tempted hither, droop and die, and lay their bones; the hateful Mississippi circling and eddying before it, and turning off upon its southern course a slimy monster hideous to behold; a hotbed of disease, an ugly sepulchre, a grave uncheered by any gleam of promise: a place without one single quality, in earth or air or water, to commend it: such is this dismal Cairo.

But what words shall describe this Mississippi, great father of rivers, who (praise be to Heaven) has no young children like him! An enormous ditch, sometimes two or three miles wide, running liquid mud, six miles an hour: its strong and frothy current choked and obstructed everywhere by huge logs and whole forest trees: now twining themselves together in great rafts, from the inter-

stices of which a sedgy lazy foam works up, to float upon the water's top; now rolling past like monstrous bodies, their tangled roots showing like matted hair; now glancing singly by like giant leeches; and now writhing round and round in the vortex of some small whirlpool, like wounded snakes. The banks low, the trees dwarfish, the marshes swarming with frogs, the wretched cabins few and far apart, their inmates hollow-cheeked and pale, the weather very hot, mosquitoes penetrating into every crack and crevice of the boat, mud and slime on everything: nothing pleasant in its aspect, but the harmless lightning which flickers every night upon the dark horizon.

For two days we toiled up this foul stream, striking constantly against the floating timber, or stopping to avoid those more dangerous obstacles, the snags or sawyers, which are the hidden trunks of trees that have their roots below the tide. When the nights are very dark, the lookout stationed in the head of the boat, knows by the ripple of the water if any great impediment be near at hand, and rings a bell beside him, which is the signal for the engine to be stopped: but always in this night this bell has work to do, and after every ring, there comes a blow which renders it no easy matter to remain in bed.

The decline of day here was very gorgeous; tinging the firmament deeply with red and gold, up to the very keystone of the arch above us. As the sun went down behind the bank, the slightest blades of grass upon it seemed to become as distinctly visible as the arteries in the skeleton of a leaf; and when, as it slowly sank, the red and golden bars upon the water grew dimmer, and dimmer yet, as if they were sinking too; and all the glowing colours of departing day paled, inch by inch, before the sombre night; the scene became a thousand times more lonesome and more dreary than before, and all its influences darkened with the sky.

We drank the muddy water of this river while we were upon it. It is considered wholesome by the natives, and is something more opaque than gruel. I have seen water like it at the Filter-shops, but nowhere else. . . .

Chapter XIII: A Jaunt to the Looking-Glass Prairie and Back

I may premise that the word Prairie is variously pronounced *paraaer*, *parearer*, and *paroarer*. The latter mode of pronunciation is perhaps the most in favour.

We were fourteen in all, and all young men: indeed it is a singular though very natural feature in the society of these distant settlements, that it is mainly composed of adventurous persons in the prime of life, and has very few grey heads among it. There were no ladies: the trip being a fatiguing one: and we were to start at five o'clock in the morning punctually. . . .

The previous day had been—not to say hot, for the term is weak and lukewarm in its power of conveying an idea of the temperature. The town had been on fire; in a blaze. But at night it had come on to rain in torrents, and all night long it had rained without cessation. We had a pair of very strong horses, but travelled at the rate of little more than a couple of miles an hour, through one unbroken slough of black mud and water. It had no variety but in depth. Now it was only half over the wheels, now it hid the axletree, and now the coach sank down in it almost to the windows. The air resounded in all directions with the loud chirping of the frogs, who, with the pigs (a course, ugly breed, as unwholesome-looking as though they were the spontaneous growth of the country), had the whole scene to themselves. Here and there we passed a log hut; but the wretched cabins were wide apart and thinly scattered, for though the soil is very rich in this place few people can exist in such a deadly atmosphere. On either side of the track, if it deserve the name, was the thick "bush;" and everywhere was stagnant, slimy, rotten, filthy water.

As it is the custom in these parts to give a horse a gallon or so of cold water whenever he is in a foam with heat, we halted for that purpose, at a log inn in the wood, far removed from any other residence. It consisted of one room, bare-roofed and bare-walled of course, with a loft above. The ministering priest was a swarthy young savage, in a shirt of cotton print like bed-furniture, and a pair of ragged trousers. There were a couple of young boys, too, nearly naked, lying idly by the well; and they, and he, and *the* traveller at the inn, turned out to look at us.

The traveller was an old man with grey grisly beard two inches long, a shaggy moustache of the same hue, and enormous eyebrows; which almost obscured his lazy, semidrunken glance, as he stood regarding us with folded arms: poising himself alternately upon his toes and heels. On being addressed by one of the party, he drew nearer, and said, rubbing his chin (which scraped under his horny hand like fresh gravel beneath a nailed shoe), that he was from Delaware, and had lately bought a farm "down there" pointing into one of the marshes where the stunted trees were thickest. He was "going," he added to St. Louis, to fetch his family, whom he had left behind; but he seemed in no great hurry to bring on these

incumbrances, for when we moved away, he loitered back into the cabin, and was plainly bent on stopping there so long as his money lasted. He was a great politician of course, and explained his opinions at some length to one of our company; but I only remember that he concluded with two sentiments, one of which was, Somebody for ever; and the other, Blast everybody else! which is by no means a bad abstract of the general creed in these matters.

When the horses were swollen out to about twice their natural dimensions (there seems to be an idea here, that this kind of inflation improves their going), we went forward again, through mud and mire, and damp, and festering heat, and brake and bush, attended always by the music of the frogs and pigs, until nearly noon, when we halted at a place called Belleville.

Belleville was a small collection of wooden houses, huddled together in the very heart of the bush and swamp. Many of them had singularly bright doors of red and yellow; for the place had been lately visited by a travelling painter, "who got along," as I was told, "by eating his way." The criminal court was sitting, and was at that moment trying some criminals for horse-stealing: with whom it would most likely go hard: for live stock of all kinds being necessarily very much exposed in the woods, is held by the community in rather higher value than human life; and for this reason, juries generally make a point of finding all men indicted for cattle-stealing, guilty, whether or no.

The horses belonging to the bar, the judge, and witnesses, were tied to temporary racks set up roughly in the road; by which is to be understood, a forest path, nearly knee-deep in mud and slime.

There was an hotel in this place which, like all hotels in America, had its large dining-room for the public table. It was an odd, shambling, low-roofed out-house, half-cowshed and half-kitchen, with a coarse brown canvas table-cloth, and tin sconces stuck against the walls, to hold candles at supper-time. The horseman had gone forward to have coffee and some eatables prepared, and they were by this time nearly ready. He had ordered "wheat-bread and chicken-fixings," in preference to "corn-bread and common doings." The latter kind of refection includes only pork and bacon. The former comprehends boiled ham, sausages, veal cutlets, steaks, and such other viands of that nature as may be supposed, by a tolerably wide poetical construction, "to fix" a chicken comfortably in the digestive organs of any lady or gentleman.

On one of the door-posts at this inn, was a tin plate, whereon was inscribed in characters of gold "Doctor Crocus;" and on a sheet of paper, pasted up by the side of this plate was a written announcement that Dr. Crocus would that evening deliver a lecture on Phrenology for the benefit of the Belleville public; at a charge for admission, of so much a head.

Straying up-stairs, during the preparation of the chicken-fixings, I happened to pass the Doctor's chamber; and as the door stood wide open, and the room was empty, I made bold to peep in.

It was a bare, unfurnished, comfortless room, with an unframed portrait hanging up at the head of the bed; a likeness, I take it, of the Doctor, for the forehead was fully displayed, and great stress was laid by the artist upon its phrenological developments. The bed itself was covered with an old patchwork counterpane. The room was destitute of carpet or of curtain. There was a damp fire-place without any stove, full of wood ashes; a chair, and a very small table; and on the last named piece of furniture was displayed, in grand array, the doctor's library, consisting of some half-dozen greasy old books. . . .

From Belleville, we went on, through the same desolate kind of waste, and constantly attended, without the interval of a moment, by the same music; until, at three o'clock in the afternoon, we halted once more at a village called Lebanon to inflate the horses again, and give them some corn besides: of which they stood much in need. Pending this ceremony, I walked into the village, where I met a full-sized dwelling-house coming down-hill at a round trot, drawn by a score or more of oxen.

The public-house was so very clean and good a one, that the managers of the jaunt resolved to return to it and put up there for the night, if possible. This course decided on, and the horses being well refreshed, we again pushed forward, and came upon the Prairie at sunset.

It would be difficult to say why, or how—though it was possibly from having heard and read so much about it—but the effect on me was disappointment. Looking towards the setting sun, there lay, stretched out before my view, a vast expanse of level ground; unbroken, save by one thin line of trees, which scarcely amounted to a scratch upon the great blank; until it met the glowing sky, wherein it seemed to dip: mingling with its rich colours, and mellowing in its distant blue. There it lay, a tranquil sea or lake without water, if such a simile be admissible, with the day going down upon it: a few birds wheeling here and there: and solitude and silence reigning paramount around. But the grass was not yet high; there were bare black patches on the ground; and

the few wild flowers that the eye could see, were poor and scanty. Great as the picture was, its very flatness and extent, which left nothing to the imagination, tamed it down and cramped its interest. I felt little of that sense of freedom and exhilaration which a Scottish heath inspires, or even our English downs awaken. It was lonely and wild, but oppressive in its barren monotony. I felt that in traversing the Prairies, I could never abandon myself to the scene, forgetful of all else; as I should do instinctively, were the heather underneath my feet, or an iron-bound coast beyond; but should often glance towards the distant and frequently receding line of the horizon, and wish it gained and passed. It is not a scene to be forgotten, but it is scarcely one, I think (at all events, as I saw it), to remember with much pleasure, or to covet the looking-on again, in after life. . . .

BAYARD TAYLOR

BAYARD TAYLOR (1825–1878) was one of the first American newspapermen to turn his journeys into books and profit. Like Horace Greeley and Walt Whitman, Taylor, who was born in Pennsylvania of Swiss and English stock, had been apprenticed to a printer but he soon became a writer. His verse won him such favorable notice that he was able to secure newspaper backing for a European walking tour in 1844. By the middle of 1849, when Taylor set out for California, his *Views Afoot* (1846) had become a best-seller; he himself was literary editor of the New York *Tribune;* and it was all but inevitable that he should be sent to see and write of life in California where Americans had at last found the Eldorado of Cabeza da Vaca's long wanderings. What he saw and heard in California, Taylor put into a book called *Eldorado* (New York, 1850); its tone, its interests, its human qualities are to be contrasted sharply with those of Dickens. They were both writing about Americans, ironically enough.

Gold had been discovered in the race near Sutter's Mill and the hope of fortune was drawing men from all over the earth. Bayard Taylor chose the Isthmian route west, sailing from New York to the Isthmus and then crossing overland to board another boat for California. He landed in San Francisco shortly before the rainy season all but halted work in the diggings. His account of life in the mines is less detailed than it might have been but, to make up for that, Taylor portrays San Francisco mushrooming from a cluster of tents into a city in half a year's time. The town had risen despite the lack of everything except "gold dust and enterprise" but its supply of the last-named was large enough to compensate for all other shortages. San Francisco prices were as fantastic as its growth, its day's business was speculation, and gambling was the chief diversion of its nights.

From the port, Taylor journeyed into the interior where he watched the final sessions of the constitutional convention at Monterey and borrowed patent-leather shoes to dance at the ball which marked the convention's close. As Taylor rode from one rain-soaked mining camp to the next, he heard and reported tales of sudden fortune and its effect on men. California's land problem was more difficult than the settlement of miners' claims, he observed. The missions which had been secularized in 1833 included huge tracts with uncertain boundaries and doubtful legal titles. Other claimants held grants equally liberal and equally confused as to ownership. The vagueness and overlapping of these titles would become a source of unending litigation, Taylor prophesied.

Taylor saw a civilization taking form. The gambling and noise, the sudden wealth and swifter losses are all set forth with a newspaperman's eye for detail; as are the decaying missions, the "old inhabitants" in California three years and lamenting the "spoiling of Indian labor" by emigrants, the "Ethiopian serenaders" who made night hideous in Sacramento. All this would pass, Taylor saw, as California

became a settled community instead of the goal of restless men. The miners' picks were sounding across America and California gold was being shipped overseas to pay the interest on the investments Europeans were making in American enterprise.

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Eldorado

BY BAYARD TAYLOR

CHAPTER IV: THE OVERLAND EMIGRATION OF 1849

SACRAMENTO CITY was the goal of the emigration by the northern routes. From the beginning of August to the last of December scarcely a day passed without the arrival of some man or company of men and families, from the mountains, to pitch their tents for a few days on the bank of the river and rest from their months of hardship. The vicissitudes through which these people had passed, the perils they had encountered and the toils they had endured seem to me without precedent in History. The story of thirty thousand souls accomplishing a journey of more than two thousand miles through a savage and but partially explored wilderness, crossing on their way two mountain chains equal to the Alps in height and asperity, besides broad tracts of burning desert, and plains of nearly equal desolation, where a few patches of stunted shrubs and springs of brackish water were their only stay, has in it so much of heroism, of daring and of sublime endurance, that we may vainly question the records of any age for its equal. Standing as I was, at the closing stage of that grand pilgrimage, the sight of these adventurers as they came in day by day, and the hearing of their stories, each of which had its own peculiar and separate character, had a more fascinating, because more real interest than the tales of the glorious old travelers which so impress us in childhood.

It would be impossible to give, in a general description of the emigration, viewed as one great movement, a complete idea of its many wonderful phases. The experience of any single man, which a few years ago would have made him a hero for life, becomes mere common-place, when it is but one of many thousands; yet the spectacle of a great continent, through a region of one thousand miles from north to south, being overrun with these adventurous bands, cannot be pictured without the relation of many episodes of individual bravery and suffering. I will not attempt a full account of the emigration, but, as I have already given an outline of the stories of those who came by the Gila route, a similar sketch of what those encountered who took the Northern route—the great overland highway of the Continent—will not be without its interest in this place.

The great starting point for this route was Independence, Mo., where thousands were encamped through the month of April, waiting until the grass should be sufficiently high for their cattle, before they ventured on the broad ocean of the Plains. From the first of May to the first of June, company after company took its departure from the frontier of civilization, till the emigrant trail from Fort Leavenworth, on the Missouri, to Fort Laramie, at the foot of the Rocky Mountains, was one long line of mule-trains and wagons. The rich meadows of the Nebraska, or Platte, were settled for the time, and a single traveler could have journeyed for the space of a thousand miles, as certain of his lodging and regular meals as if he were riding through the old agricultural districts of the Middle States. The wandering tribes of Indians on the Plains—the Pawnees, Sioux and Arapahoes—were alarmed and bewildered by this strange apparition. They believed they were about to be swept away forever from their hunting-grounds and graves. As the season advanced and the great body of the emigrants got under way, they gradually withdrew from the vicinity of the trail and betook themselves to grounds which the former did not reach. All conflicts with them were thus avoided, and the emigrants passed the Plains with perfect immunity from their thievish and hostile visitations.

Another and more terrible scourge, however, was doomed to fall upon them. The cholera, ascending the Mississippi from New Orleans, reached St. Louis about the time of their departure from Independence, and overtook them before they were fairly embarked on the wilderness. The frequent rains of the early spring, added to the hardship and exposure of their travel, prepared the way for its ravages, and the first three or four hundred miles of the trail were marked by graves. It is estimated that about four thousand persons perished from this cause. Men were seized without warning with the most violent symptoms, and instances occurred in which the sufferer was left

to die alone by the road-side, while his panic-stricken companions pushed forward, vainly trusting to get beyond the influence of the epidemic. Rough boards were planted at the graves of those who were buried near the trail, but there are hundreds of others lying unmarked by any memorial, on the bleak surface of the open plain and among the barren depths of the mountains. I have heard men tell how they have gone aside from their company to bury some old and cherished friend—a brother, it may often have been—performing the last rites alone and unaided, and leaving the remains where none but the wolf will ever seek their resting-place.

By the time the companies reached Fort Laramie the epidemic had expended its violence, and in the pure air of the elevated mountain region they were safe from its further attacks. Now, however, the real hardships of their journey began. Up and down the mountains that hem in the Sweetwater Valley—over the spurs of the Wind River chain—through the Devil's Gate, and past the stupendous mass of Rock Independence—they toiled slowly up to the South Pass, descended to the tributaries of the Colorado and plunged into the rugged defiles of the Timpanozu Mountains. Here the pasturage became scarce and the companies were obliged to take separate trails in order to find sufficient grass for their teams. Many, who, in their anxiety to get forward with speed, had thrown away a great part of the supplies that encumbered them, now began to want, and were frequently reduced, in their necessity, to make use of their mules and horses for food. It was not unusual for a mess, by way of variety to the tough mule-meat, to kill a quantity of rattle-snakes, with which the mountains abounded, and have a dish of them fried, for supper. The distress of many of the emigrants might have been entirely avoided, had they possessed any correct idea, at the outset of the journey, of its length and privations.

It must have been a remarkable scene, which the City of the Great Salt Lake presented during the summer. There, a community of religious enthusiasts, numbering about ten thousand, had established themselves beside an inland sea, in a grand valley shut in by snow-capped mountains, a thousand miles from any other civilized spot, and were dreaming of rebuilding the Temple and creating a New Jerusalem. Without this resting-place in mid-journey, the sufferings of the emigrants must have been much aggravated. The Mormons, however, whose rich grain-lands in the Valley of the Utah River had produced them abundance of supplies, were able to spare sufficient for those whose stock was exhausted. Two or three thousand, who arrived late in the season, remained in the Valley all winter, fearing to undertake the toilsome journey which still remained.

Those who set out for California had the worst yet in store for them. Crossing the alternate sandy wastes and rugged mountain chains of the Great Basin to the Valley of Humboldt's River, they were obliged to trust entirely to their worn and weary animals for reaching the Sierra Nevada before the winter snows. The grass was scarce and now fast drying up in the scorching heat of midsummer. In the endeavor to hasten forward and get the first chance of pasture, many again committed the same mistake of throwing away their supplies. I was told of one man, who, with a refinement of malice and cruelty which it would be impossible to surpass, set fire to the meadows of dry grass, for the sole purpose, it was supposed, of retarding the progress of those who were behind and might else overtake him. A company of the emigrants, on the best horses which were to be obtained, pursued him and shot him from the saddle as he rode—a fate scarcely equal to his deserts.

The progress of the emigrants along the Valley of Humboldt's River is described as having been slow and toilsome in the extreme. The River, which lies entirely within the Great Basin,—whose waters, like those of the uplands of Central Asia, have no connexion with the sea—shrinks away towards the end of summer, and finally loses itself in the sand, at a place called the Sink. Here, the single trail across the Basin divides into three branches, and the emigrants, leaving the scanty meadows about the Sink, have before them an arid desert, varying from fifty to eighty miles in breadth, according to the route which they take. Many companies, on arriving at this place, were obliged to stop and recruit their exhausted animals, though exposed to the danger of being detained there the whole winter, from the fall of snow on the Sierra Nevada. Another, and very large body of them, took the upper route to Lawson's Pass, which leads to the head of the Sacramento Valley; but the greater part, fortunately, chose the old traveled trails, leading to Bear Creek and the Yuba, by way of Truckee River, and to the head-waters of the Rio Americano by way of Carson's River.

The two latter routes are the shortest and best. After leaving the Sink of Humboldt's River, and crossing a desert of about fifty miles in breadth, the emigrant reaches the streams which are fed from the Sierra Nevada, where he finds good grass and plenty of game. The passes are described as terribly rugged and precipitous, leading directly

up the face of the great snowy ridge. As, however, they are not quite eight thousand feet above the sea, and are reached from a plateau of more than four thousand feet, the ascent is comparatively short; while, on the western side, more than a hundred miles of mountain country must be passed, before reaching the level of the Sacramento Valley. There are frequent passes in the Sierra Nevada which were never crossed before the summer of 1849. Some of the emigrants, diverging from the known trail, sought a road for themselves, and found their way down from the snows to the head waters of the Tuolumne, the Calaveras and Feather River. The eastern slope of the Sierra Nevada is but imperfectly explored. All the emigrants concurred in representing it to me as an abrupt and broken region, the higher peaks of barren granite, the valleys deep and narrow, yet in many places timbered with pine and cedar of immense growth.

After passing the dividing ridge,—the descent from which was rendered almost impossible by precipices and steeps of naked rock—about thirty miles of alternate cañons and divides lay between the emigrants and the nearest diggings. The steepness of the slopes of this range is hardly equalled by any other mountains in the world. The rivers seem to wind their way through the bottoms of chasms, and in many places it is impossible to get down to the water. The word cañon (meaning, in Spanish, a funnel,) has a peculiar adaptation to these cleft channels through which the rivers are poured. In getting down from the summit ridge the emigrants told me they were frequently obliged to take the oxen from the wagon and lower it with ropes; but for the sheer descents which followed, another plan was adopted. The wheels were all locked, and only one yoke of oxen left in front; a middling-sized pine was then cut down, and the butt fastened to the axle-tree, the branchy top dragging on the earth. The holding back of the oxen, the sliding of the locked wheels, and the resistance of the tree together formed an opposing power sufficient to admit of a slow descent; but it was necessary to observe great care lest the pace should be quickened, for the slightest start would have overcome the resistance and given oxen, wagon and tree together a momentum that would have landed them at the bottom in a very different condition.

In August, before his departure for Oregon, Gen. Smith took the responsibility of ordering pack-mules and supplies to be provided at the expense of Government, and gave Major Rucker orders to dispatch relief companies into the Great Basin to succor the emigrants who might be remaining there, for want of provisions to advance further. In this step he was also warmly seconded by Gen. Riley, and the preparations were made with the least possible delay. Public meetings of the citizens of San Francisco were also held, to contribute means of relief. Major Rucker dispatched a party with supplies and fresh animals by way of the Truckee River route to the Sink of Humboldt's River, while he took the expedition to Pitt River and Lawson's Pass, under his own command. The first party, after furnishing provisions on the road to all whom they found in need, reached the Sink, and started the families who were still encamped there, returning with them by the Carson River route and bringing in the last of the emigration, only a day or two before the heavy snows came on, which entirely blocked up the passes. But for this most timely aid, hundreds of persons must have perished by famine and cold.

Those who took the trail for Lawson's Pass fared even worse. They had been grossly deceived with regard to the route, which, instead of being a nearer passage into California, is actually two hundred miles longer than the other routes, and though there is no ridge of equal height to be crossed, the amount of rough mountain travel is even greater. The trail, after crossing the Sierra by a low gap, (which has lately been mentioned in connection with the Pacific Railroad,) enters the Valley of Pitt River, one of the tributaries of the Upper Sacramento. Following the course of this river for about ninety miles, it reaches a spur of the Sierra Nevada, which runs from the head waters of Feather River to near the Shaste Peak, closing up the level of the lower Sacramento Valley. These mountains are from five to six thousand feet in height and rugged in the extreme, and over them the weary emigrant must pass before the Land of Promise—the rich Valley of the Sacramento—meets his view.

At the time I returned to Sacramento City, Major Rucker had just returned from his expedition. He found a large body of emigrants scattered along Pitt River, many of them entirely destitute of provisions and others without their animals, which the predatory Indians of that region had stolen. Owing to the large number who required his assistance, he was obliged to return to the ranches on Deer Creek and procure further supplies, leaving Mr. Peoples to hurry them on meanwhile. Everything was done to hasten their movement, but a strange and unaccountable apathy seemed to have taken possession of them. The season was late, and a single day added to the time requisite to get them into the Sacramento

Valley might prove ruinous to them and their assistants. Whether the weary six months they passed in the wilderness had had the effect of destroying all their active energy and care for their own safety, or whether it was actual ignorance of their true situation and contempt of counsel because it seemed to wear the shape of authority, it is difficult to tell—but the effect was equally dangerous. After having improvidently thrown away, in the first part of the journey, the supplies so needful afterwards, they now held fast to useless goods, and refused to lighten the loads of their tried oxen. But few of them appeared to have a sense of the aid which was rendered them; instead of willingly coöperating with those who had charge of the relief party, they gave much unnecessary trouble and delayed the journey several days.

Of the companies which came by this route several small parties struck into the mountains to the southward of Pitt River, hoping to find an easy road to the diggings on Feather River. Of these, some reached the river, after many days of suffering and danger; others retraced their steps and by making desperate efforts regained the companies on Pitt River, while some, who had not been heard of at the time I left, were either locked up for the winter in the midst of terrible snows, or had already perished from hunger. I met with one or two who had been several days in the mountains without food, and only escaped death by a miracle. A company of six, who had set out on the hunt of some Indians who had stolen their cattle, never returned. . . .

Chapter VI: San Francisco, Four Months Later

Of all the marvellous phases of the history of the Present, the growth of San Francisco is the one which will most tax the belief of the Future. Its parallel was never known, and shall never be beheld again. I speak only of what I saw with my own eyes. When I landed there, a little more than four months before, I found a scattering town of tents and canvas houses, with a show of frame buildings on one or two streets, and a population of about six thousand. Now, on my last visit, I saw around me an actual metropolis, displaying street after street of well-built edifices, filled with an active and enterprising people and exhibiting every mark of permanent commercial prosperity. Then, the town was limited to the curve of the Bay fronting the anchorage and bottoms of the hills. Now, it stretched to the topmost heights, followed the shore around point after point, and sending back a long arm through a gap in the hills, took hold of the Golden Gate and was building its warehouses on the open strait and almost fronting the blue horizon of the Pacific. Then, the gold-seeking sojourner lodged in muslin rooms and canvas garrets, with a philosophic lack of furniture, and ate his simple though substantial fare from pine boards. Now, lofty hotels, gaudy with verandas and balconies, were met with in all quarters, furnished with home luxury, and aristocratic restaurants presented daily their long bills of fare, rich with the choicest technicalities of the Parisian cuisine. Then, vessels were coming in day after day, to lie deserted and useless at their anchorage. Now scarce a day passed, but some cluster of sails, bound *outward* through the Golden Gate, took their way to all the corners of the Pacific. Like the magic seed of the Indian juggler, which grew, blossomed and bore fruit before the eyes of his spectators, San Francisco seemed to have accomplished in a day the growth of half a century.

When I first landed in California, bewildered and amazed by what seemed an unnatural standard of prices, I formed the opinion that there would be before long a great crash in speculation. Things, it appeared then, had reached the crisis, and it was pronounced impossible that they could remain stationary. This might have been a very natural idea at the time, but the subsequent course of affairs proved it to be incorrect. Lands, rents, goods and subsistence continued steadily to advance in cost, and as the credit system had been meanwhile prudently contracted, the character of the business done was the more real and substantial. Two or three years will pass, in all probability, before there is a positive abatement of the standard of prices. There will be fluctuations in the meantime, occasioning great gains and losses, but the fall in rents and real estate, when it comes, as it inevitably must in the course of two or three years, will not be so crushing as I at first imagined. I doubt whether it will seriously injure the commercial activity of the place. Prices will never fall to the same standard as in the Atlantic States. Fortunes will always be made by the sober, intelligent, industrious, and energetic; but no one who is either too careless, too spiritless or too ignorant to succeed at home, need trouble himself about emigrating. The same general rule holds good, as well here as elsewhere, and it is all the better for human nature that it is so.

Not only was the heaviest part of the business conducted on cash principles, but all rents, even to lodgings in hotels, were required to be paid in advance. A single bowling-alley, in the basement story of the Ward House—a new hotel on Portsmouth-Square—prepaid $5,000 monthly. The firm

of Findley, Johnson & Co. sold their real estate, purchased a year previous, for $20,000, at $300,000; $25,000 down, and the rest in monthly instalments of $12,500. This was a fair specimen of the speculations daily made. Those on a lesser scale were frequently of a very amusing character, but the claims on one's astonishment were so constant, that the faculty soon wore out, and the most unheard-of operations were looked upon as matters of course. Among others that came under my observation, was one of a gentleman who purchased a barrel of alum for $6, the price in New York being $9. It happened to be the only alum in the place, and as there was a demand for it shortly afterwards, he sold the barrel for $150. Another purchased all the candle-wick to be found, at an average price of 40 cts. per lb., and sold it in a short time at $2.25 per lb. A friend of mine expended $10,000 in purchasing barley, which in a week brought $20,000. The greatest gains were still made by the gambling tables and the eating-houses. Every device that art could suggest was used to swell the custom of the former. The latter found abundant support in the necessities of a large floating population, in addition to the swarm of permanent residents.

For a month or two previous to this time, money had been very scarce in the market, and from ten to fifteen per cent, monthly, was paid, with the addition of good security. Notwithstanding the quantity of coin brought into the country by emigrants, and the millions of gold dust used as currency, the actual specie basis was very small compared with the immense amount of business transacted. Nevertheless, I heard of nothing like a failure; the principal firms were prompt in all their dealings, and the chivalry of Commerce—to use a new phrase—was as faithfully observed as it could have been in the old marts of Europe and America. The merchants had a 'Change and News-room, and were beginning to coöperate in their movements and consolidate their credit. A stock company which had built a long wharf at the foot of Sacramento-st. declared a dividend of ten per cent. within six weeks after the wharf was finished. During the muddy season, it was the only convenient place for landing goods, and as the cost of constructing it was enormous, so were likewise the charges for wharfage and storage.

There had been a vast improvement in the means of living since my previous visit to San Francisco. Several large hotels had been opened, which were equal in almost every respect to houses of the second class in the Atlantic cities. The Ward House, the Graham House, imported bodily from Baltimore, and the St. Francis Hotel, completely threw into the shade all former establishments. The rooms were furnished with comfort and even luxury, and the tables lacked few of the essentials of good living, according to a 'home' taste. The sleeping apartments of the St. Francis were the best in California. The cost of board and lodging was $150 per month—which was considered unusually cheap. A room at the Ward House cost $250 monthly, without board. The principal restaurants charged $35 a week for board, and there were lodging houses where a berth or "bunk"—one out of fifty in the same room—might be had for $6 a week. The model of these establishments—which were far from being "model lodging-houses"—was that of a ship. A number of state-rooms, containing six berths each, ran around the sides of a large room, or cabin, where the lodgers resorted to read, write, smoke and drink at their leisure. The state-rooms were consequently filled with foul and unwholesome air, and the noises in the cabin prevented the passengers from sleeping, except between midnight and four o'clock.

The great want of San Francisco was society. Think of a city of thirty thousand inhabitants, peopled by men alone! The like of this was never seen before. Every man was his own housekeeper, doing, in many instances, his own sweeping, cooking, washing and mending. Many home-arts, learned rather by observation than experience, came conveniently into play. He who cannot make a bed, cook a beefsteak, or sew up his own rips and rents, is unfit to be a citizen of California. Nevertheless, since the town began to assume a permanent shape, very many of the comforts of life in the East were attainable. A family may now live there without suffering any material privations; and if every married man, who intends spending some time in California, would take his family with him, a social influence would soon be created to which we might look for the happiest results.

Towards the close of my stay, the city was as dismal a place as could well be imagined. The glimpse of bright, warm, serene weather passed away, leaving in its stead a raw, cheerless, southeast storm. The wind now and then blew a heavy gale, and the cold, steady fall of rain, was varied by claps of thunder and sudden blasts of hail. The mud in the streets became little short of fathomless, and it was with difficulty that the mules could drag their empty wagons through. A powerful London dray-horse, a very giant in harness, was the only animal able to pull a good load; and I was told that he earned his master $100 daily. I saw occasionally a company of Chinese work-

men, carrying bricks and mortar, slung by ropes to long bamboo poles. The plank sidewalks, in the lower part of the city, ran along the brink of pools and quicksands, which the Street Inspector and his men vainly endeavored to fill by hauling cart-loads of chapparal and throwing sand on the top; in a day or two the gulf was as deep as ever. The side-walks, which were made at the cost of $5 per foot, bridged over the worst spots, but I was frequently obliged to go the whole length of a block in order to get on the other side. One could not walk any distance, without getting at least ancle-deep, and although the thermometer rarely sank below 50°, it was impossible to stand still for even a short time without a death-like chill taking hold of the feet. As a consequence of this, coughs and bronchial affections were innumerable. The universal custom of wearing the pantaloons inside the boots threatened to restore the knee-breeches of our grandfathers' times. Even women were obliged to shorten their skirts, and wear high-topped boots. The population seemed to be composed entirely of dismounted hussars. All this will be remedied when the city is two years older, and Portsmouth Square boasts a pavé as elegant as that on the dollar side of Broadway.

The severe weather occasioned a great deal of sickness, especially among those who led an exposed life. The city overflowed with people, and notwithstanding buildings were continually growing up like mushrooms, over night, hundreds who arrived were obliged to lodge in tents, with which the summits of the hills were covered. Fever-and-ague and dysentery were the prevailing complaints, the great prevalence of which was owing undoubtedly to exposure and an irregular habit of life. An association was formed to relieve those in actual want, many of the wealthiest and most influential citizens taking an honorable part in the matter. Many instances of lamentable destitution were by this means brought to light. Nearly all the hospitals of the place were soon filled, and numbers went to the Sandwich Islands to recruit. The City Hospital, a large, well ventilated and regulated establishment, contained about fifty patients. The attending physician described to me several cases of nearly hopeless lunacy which had come under his care, some of them produced by disappointment and ill-luck, and others by sudden increase of fortune. Poor human nature! . . .

The effect of a growing prosperity and some little taste of luxury was readily seen in the appearance of the business community of San Francisco. The slouched felt hats gave way to narrow-brimmed black beavers; flannel shirts were laid aside, and white linen, though indifferently washed, appeared instead; dress and frock coats, of the fashion of the previous year in the Atlantic side, came forth from trunks and sea-chests; in short, a San Francisco merchant was almost as smooth and spruce in his outward appearance as a merchant anywhere else. The hussar boot, however, was obliged to be worn, and a variation of the Mexican sombrero—a very convenient and becoming head-piece—came into fashion among the younger class.

The steamers which arrived at this time, brought large quantities of newspapers from all parts of the Atlantic States. The speculation which had been so successful at first, was completely overdone; there was a glut in the market, in consequence whereof newspapers came down to fifty and twenty-five cents apiece. The leading journals of New-York, New-Orleans and Boston were cried at every street-corner. The two papers established in the place issued editions "for the Atlantic Coast," at the sailing of every steamer for Panama. The offices were invaded by crowds of purchasers, and the slow hand-presses in use could not keep pace with the demand. The profits of these journals were almost incredible, when contrasted with their size and the amount of their circulation. Neither of them failed to count their gains at the rate of $75,000, a year, clear profit.

My preparations for leaving San Francisco, were made with the regret that I could not remain longer and see more of the wonderful growth of the Empire of the West. Yet I was fortunate in witnessing the most peculiar and interesting stages of its progress, and I took my departure in the hope of returning at some future day to view the completion of these magnificent beginnings. The world's history has no page so marvellous as that which has just been turned in California.

AMERICAN PROBLEMS

BUILDING THE RAILROADS

IN THESE STATEMENTS extolling the advantages of the Illinois Central Railroad and the lands it was offering for sale may be seen a typical example of the early development of the American railroad. In its origins and its growth before the Civil War, the Illinois Central shows how the West was opened through the new methods of transportation and how that development in turn offered new outlets and incentives for the growth of capital in the East.

The prairies, which had been avoided by the early pioneers into the Illinois country, had become more accessible with the construction of the Erie Canal and the advance of steam navigation on the Great Lakes. Root-matted prairie soil was still too tough for the old-fashioned plow; not even iron, which was replacing wood, could cope with the stubborn sod. But in 1837, the first steel plow finally made the prairie soil available to the farmer. Rich and readily cultivable as the prairie might be, the lack of transportation slowed settlement. Farmers preferred poorer land near a river, that would take their crops to market, to the most fertile farm whose crops must lie unsold because of lack of facilities for shipping.

Like their fellows in other Western areas, Illinois farmers clamored for internal improvements: roads, canals, and railways to carry their grain and pork to Eastern and Southern markets. Illinois began canal-building in 1836, but canals could furnish transportation to only a limited area of the state; if the prairies were to be settled, they must be served by railroads. In 1837, the state undertook an elaborate building program including both improved water transport and railroads. The plans were too ambitious for the capital available to a frontier community; they were inefficiently executed, and finally collapsed in the depression that followed the panic of 1837.

As early as 1835, a group of land speculators, trying to turn the town of Cairo into a metropolis, had backed a scheme for an Illinois railroad. When the state building program was abandoned, they secured a charter of incorporation and set about winning a congressional grant of public land. Slowly through the forties, after Senator Douglas had taken the project out of the Cairo lobbyists' hands, the bill for congressional aid to an Illinois railroad gained friends. A change in the proposed route, extending the railroad south to Mobile, won support from that section. Eastern votes were obtained by pressure from investors in Illinois securities, state and corporate, and speculators in Illinois land. Also, Easterners with idle capital seeking new investments added their pressures to those of Western and Southern representatives until, in 1850, the land-grant bill was passed. By the terms of the bill, Illinois, Mississippi, and Alabama received land for a right of way, plus alternate sections (for six sections in width on each side), for the construction of a railroad from the Great Lakes to Mobile, with branch lines to Dubuque and Chicago. The Federal government, in return, was to receive sizable reductions in rates for the hauling of the mails and official freight and passengers. Thus was the pattern of the land-grant railway fixed in 1850. This pattern was followed essentially in the chartering of the great Pacific railways of the sixties and seventies.

By 1851, therefore, the state of Illinois had valuable lands to offer. Rival groups of railroad interests now appeared at Springfield to

bargain for a franchise. The Cairo promoters, the representatives of the state bondholders, and the Eastern capitalists who had become interested in the project through their work on the Michigan Central, all contended for the grant. The first group suffered from its close connection with Illinois political quarrels; the second because of the large "foreign" element among its probable beneficiaries. The third was free of these handicaps and able to finance an efficient lobby at Springfield. The bondholders' representatives were soon eliminated, leaving the field to the Cairo group and its Eastern competitors.

The latter, most of whom were Whigs, retained leading Illinois Democrats as spokesmen and then sent Robert Rantoul, Jr., of Massachusetts to Illinois to head their ranks. Rantoul (1805–1852) had won considerable reputation in the Democratic party as a champion of progressive measures. He had been a conspicuous proponent of improved education in Massachusetts and had made a report on capital punishment which had wide influence after its publication in 1836. More recently, as counsel in the case of Commonwealth *v.* Hunt, Rantoul had convinced the Massachusetts Supreme Court that labor unions were not necessarily conspiracies in restraint of trade and so laid the foundation for the legal recognition of American labor organizations. Finally, though Rantoul had been investing in lumbering and mining rights along the headwaters of the Mississippi, he was known for his efforts to extend state checks on corporations and their activities.

When Rantoul arrived in Springfield, he had the support of the Illinois Democratic press; favorable Whig publicity was also assured by a judicious loan to the editor of a leading Whig sheet. With the press and ample funds for backing, Rantoul and his Illinois co-workers proceeded to the task of political manipulation, a task complicated by the number of opposing pressure groups seeking legislative favors at the session. Since the bondholders' group had been eliminated, Rantoul's backers placated the Cairo promoters by agreeing to make large improvements in that town and by reserving 1,000 assessment-exempt shares for the leader of the Cairo group. In January, 1851, Rantoul presented a memorial to the legislature praying for a charter. After a month of debate over who should determine the road's route, the Illinois legislators decided to set forth general principles rather than a specific course and then chartered the new road. The company was given the federal land grant.

The Illinois Central Railroad Company was organized a month after the charter was granted and, in spite of the rather shady character of its first president, succeeded in securing a loan in England. By the middle fifties, though the road's securities had declined, foreign confidence in the project increased as the company's leadership improved. Although the stock was assessed to provide funds for construction—a contingency against which the foreign investors thought themselves secure—the company's credit was finally established. In spite of financial difficulties and the effects of the panic of 1857, the road was completed in the six-year period specified by its charter and its credit stood firm thereafter. America's first trunk line had been built.

Two of the new company's directors—in an effort to attract investors—proceeded to describe the railroad's prospects. Their statements are reprinted from a pamphlet, *Documents Relating to the Organization of the Illinois Central Rail-road Company* (New York, 1851).

The Illinois Central Railroad

BY DAVID A. NEAL

FOR THE PURPOSE of aiding the construction of "a Rail Road from the southern terminus of the Illinois and Michigan Canal to a point at or near the junction of the Ohio and Mississippi Rivers, with a Branch of the same to Chicago, on Lake Michigan, and another via the town of Galena to Dubuque, in the State of Iowa," the Congress of the United States, by an Act, approved September 20, 1850, granted to the State of Illinois,

1st. The right of way 200 feet wide, through the public lands, and of taking necessary materials of earth, stone, lumber, &c.

2. Every alternate section of land, designated by even numbers for six sections in width on each side of said Road and Branches, or if any such have been sold, so much land most contiguous to such sections and not exceeding fifteen miles from the line of the Road as shall be equal to those sold.

By an Act of the Legislature of the State of Illinois, passed the present year, Robert Schuyler, George Griswold, Gouveneur Morris, Franklin Haven, David A. Neal, Robert Rantoul, jun., Jonathan Sturgis, George W. Ludlow, John F. Sanford, Henry Grinnell, William H. Aspinwall, Leroy Wiley and Joseph W. Alsop, and such persons as shall hereafter become Stockholders, were created a body politic and corporate, under the name of the Illinois Central Rail Road Company, with all necessary powers and privileges for constructing and maintaining the Rail Road and Branches, contemplated in the Act of Congress aforesaid, and for this purpose, the right of way, and all the lands that may be selected along the line of said Road and Branches in the State, under the grant in said Act, together with a right of way over and through lands belonging to the State, and all the rights and materials heretofore acquired by the State for the same object, are ceded and granted to said Corporation, on condition that such Road shall be built in four, and said Branches in six years, and that when built and in operation, seven per cent. of the gross income shall be paid to the State in lieu of all taxes levied for State purposes. The lands thus granted are to be placed in the hands of Trustees, three-fourths for the security of any Bonds issued by the Company, and one-fourth to meet any deficiency from other sources, for the payment of interest, or contingencies. The Capital Stock is fixed by the Act, at one million of dollars, which may be increased at any time, to an amount not exceeding the entire expenditure on account of the Road.

The Illinois Central Rail Road Company has been organized, the Capital Stock subscribed, and twenty per cent. of it paid in, all the conditions of the Charter have been complied with, and all the deeds, grants and trusts executed. Engineers are employed in selecting a route and the donated lands, which will amount to 3840 acres for each mile of road, or in the aggregate, (the Road and Branches being assumed at 670 miles) 2,572,800 acres.

It is proposed to meet the cost of construction by the issue of Bonds, payable in 1875, bearing interest not exceeding seven per cent. The security for the principal will be—1st, the Road itself; and 2d, two million acres of the donated lands. The security for the interest will be 1st, the Capital Stock; 2d, the Income of the Road; 3d, two hundred and fifty thousand acres of the land specially appropriated.

The lands will be valued at prices that will more than cover any possible amount required for construction, but which, it is believed, will be fully realized before the period of the maturity of the Bonds. These Bonds may, at any time, be surrendered and any land on sale claimed in lieu of them at the appraisement. None of the lands appropriated for their security, can be disposed of, except on the simultaneous surrender or payment of Bonds to an amount equal to their appraisal. That appraisal of the two millions of acres mortgaged for their security, that is, the price under which they will not be sold, and to which it is expected they will advance at some time previous to 1875, will be so arranged, as soon as they are selected and their character known, as to produce the following averages.

400,000	acres ordinary agricultural lands $6,	$2,400,000
1,200,000	acres good agricultural lands $10,	12,000,000
300,000	acres superior agricultural lands $15,	4,500,000
100,000	acres town sites, mineral lands $25,	2,500,000
2,000,000		$21,400,000

To enable the Company to meet the demand for these lands at any time, short of the period of the maturity of the Bonds, the right to anticipate their payment has been reserved, but only on condition of giving one hundred and twenty dollars for every hundred so taken up.

During the time occupied in the construction of the Road, the interest on the outlay will be in-

cluded in its cost. Immediately on its completion, the Income, after paying current expenses and State tax, will be of course applied to this object. If it should not, at first, be sufficient, the earnings from any partial use of the road, before its entire completion, the whole capital stock of the Company, and the entire proceeds of sales of 250,000 acres of land set aside for this purpose, will form a fund that will be ample under any contingency.

The basis of this enterprise is founded both on National and State legislation. The powers delegated are ample, the titles are perfect. It is of its merits as a public work, of its capabilities as a great thoroughfare, of its success as a commercial operation, and its consequent estimation as a medium of investment, that I now propose to make some remarks.

If to make two blades of grass grow where but one grew before, be worthy the high commendation of the philosopher and patriot, it will not be deemed an act altogether unimportant or useless to the country to open to the approach of industry, millions of acres of the most fertile soil the sun ever shone upon, and to make available at once, the alluvial deposits of countless ages. An enterprise that will thus bring into use wealth heretofore buried, that will lighten the burthen, while it will increase the rewards of labor, that will add to the resources of the poor, and offer new and valuable investments to the rich, will hardly want friends, when such pretensions shall be established. The construction of a Rail Road traversing in its whole length the State of Illinois from Cairo, where the waters of the Mississippi and the Ohio meet, bearing on their surface the various productions of the North and the South, of the East and the West, to the vast mineral regions of Galena in the North West, and to Chicago, the emporium of the commerce of the great Lakes at the North East, will, it is believed, accomplish these objects. Its practicability, with the means at the disposal of its projectors and friends, is an important consideration. This, it is evident, must mainly depend on the ultimate value of the work when completed, and of the effect on the property which forms the basis of all its financial operations. The value of the work may be estimated by the use that can be made of it, or rather by the extent of production to which the ability to use it will give birth. The sources of income will be found,

1st. In the produce of the mines and forests, for these furnish articles ready for use and of general consumption every where.

2d. In the produce of the soil, which requires easy and cheap transportation to induce as much as it does sunshine and rain, to perfect its cultivation.

3d. In the supplies requisite to those who may be engaged in occupations connected with or incident to the two above named branches of business.

4th. In the movements of the same persons for purposes of business or pleasure.

5th. In the transit of persons and goods between points beyond the limits of the State for which the route will afford the most convenient and expeditious passage.

6th. In transportation of mails and expresses, and in other miscellaneous operations.

Having settled these points with as much precision as the nature of the case admits, it will be easy to estimate the value of the Road as an investment, and consequently as a security *per se* for the means necessary to construct it. If it cannot be shown that it will yield some income beyond its current expenses, no one will probably take the trouble to carry on the enterprise, and consequently no means will be required for its construction. If, therefore, these means are sought, it will be proof that its projectors believe it will be of some intrinsic value. It may be more or less, or they may be altogether mistaken.

If the latter be not the case, then the property which they receive for carrying out the plan, must also be worth something. How much, will depend on the demand for it, and the demand will be proportionate to the number of persons who may be induced, by the prospect of success, to cluster about it. We come back then to the great question of *population*. In estimating what it may be some four or five or six years hence, in the region to be traversed by this or any other Road, we have the same lights to guide us that are always used by prudent men in their daily operations. . . .

The Road to be built is restricted only to within seventeen miles each side of a straight line from the city of Cairo to the Southern terminus of the Illinois Canal, which line is nearly coincident with the third principal meridian, thence a branch by any convenient route to Galena. From a point in about the latitude of °39.30 North latitude, will diverge the branch to be built to Chicago. The Main Line to be completed in four years, the Branches in six. No taxes to be levied until the Road is completed; then in lieu of all other taxes the Company are to pay seven per cent. of the gross earnings of the Road, as already stated. The donated lands consist of every alternate section designated by even numbers, for six sections in width on each side of the Road as it may be located, or if any of these have been sold, then an

equal quantity may be taken from contiguous tiers of sections any where within fifteen miles of the line.

Under this grant, the Road will be located through the most fertile prairies, the most valuable forests, and the richest mineral lands in the State; but these have been neglected by settlers in consequence of the utter impossibility of getting their productions to market. Until the Illinois Central Rail Road Company shall have selected their lands, the Books of the General Land Office in Washington are closed against entries in this region, and when opened, the price is to be double that of the other lands. The Company are, therefore, fully protected. They have organized under their charter, all the deeds and necessary documents have been executed by the Governor of the State, the Trustees, and its own officers. The whole stock has been taken and twenty per cent. been paid in, in cash, and the same deposited with the State Treasurer of Illinois, to be returned on completion of fifty miles of the Road. Robert Schuyler, Esq., of New York, a gentleman more conversant with and more largely interested in Rail Roads than any other person on the Western continent, has been chosen President, and Morris Ketchum, Esq., of the very wealthy and well known house of Rogers, Ketchum & Bement, Treasurer of the Association. R. B. Mason, Esq., of the New York and New Haven Rail Road, has been appointed Chief, and he has engaged seven resident and a large corps of assistant Engineers, who have proceeded to Illinois to locate the Road and select the donated lands. The system devised for procuring the means of building this Road by the *sale* of Bonds, and for the *payment* of them *when* or *before* they become due, is unique in its character and provisions. It is believed to afford not simply entire security for the current interest and redemption at maturity, but a strong probability of a great advance in value, in consequence of the peculiar conditions annexed to the sale of the property which forms a branch of the collateral security embraced in the plan.

The length of the Road and Branches will probably not be less than 670 miles, which will entitle the Company, as before stated, to an aggregate donation of 2,572,800 acres. No estimate of its cost has been attempted, for no particular survey of the whole route has yet been made. It is said that $15,000 per mile is the highest that any Road (allowing for heavy T rail,) has as yet cost in Illinois; $20,000 per mile would require about $14,000,000. It is intended to use the strictest economy, consistent with the construction of a good, substantial Road. It is also intended to pay for every thing with cash. There are various reasons besides for believing that this Road will be built for comparatively little money; but as ample security will be offered for any possible sum that may be required, it is unnecessary in this connection to go into any detail on that subject.

The Bonds will be dated April 1, 1851, with Coupons attached, at rate of interest to be hereafter agreed on, not exceeding seven per cent. It is desirable to negotiate at once (if practicable,) for enough to ensure the building the Road, but to be paid by instalments as wanted.

The first security for these Bonds that will be offered, will be the Road itself. To render this satisfactory, it must be shown, with a reasonable degree of certainty, that it will pay its current expenses, taxes and interest on the capital invested. There will be within fifteen miles of the line of this Road, upwards of 12,000,000 acres of land. It is adapted to the cultivation of any kind of grain, but particularly of Indian corn, of which it is said it produces 60–70 bushels to the acre, and to be inexhaustible. There are at various points on the Road, large quantities of bituminous coal. There is one field of peculiarly good quality near Danville, about 120 miles from Chicago, from which all the shore towns and steamers of Lake Michigan may be supplied. Another, 50 miles from Cairo, which may supply the demands for steamboats, both on the Ohio and Mississippi. A large part of Illinois, especially that distant from the banks of the rivers, is destitute of forests. Chicago is the great depot for the lumber of both Michigan and Wisconsin, and it can always be obtained here in any quantities at low prices. Cairo is at the head of navigation for the large steamers of the Lower Mississippi, and the place of transshipment from them to the vessels of lighter draft, and vice versa, both of passengers and freight. Frequently the rivers above are impeded with ice, swollen from freshets or impassible for want of water. The Illinois Central Rail Road will furnish a rapid communication with and through the central, most fertile and most healthy portions of the State. Its means of transportation, will be ample, uninterrupted and safe. It will be completed probably in four years from the time of its active commencement.

One mode of increasing the population of the country will be the mass of laborers that must be introduced to build the Road. The amount paid to workmen alone, employed in grading, will not probably be less, on an average, than $6000 per mile. Assuming the wages at $1 per day, and the road 666⅔ miles long, we have 4,000,000 days' work—or divided among four years, 1,000,000 per annum—and supposing 250 working days in the

year, we require 4000 men to be constantly at work. With the prospect of so long a job, large numbers of these will have their families with them, and thus add at least 50 per cent. to the number. With them will naturally be brought those who look for profit in supplying them. An immediate market will be introduced for small farmers all along the line, who will clear their land in a single year from the disposal of their surplus produce. Three-fourths of the money expended in constructing the road, will remain in the country, or be remitted to Washington, in payment for Government lands. Settlers will thus have an unprecedented opportunity to make themselves not only owners of the soil, but establish themselves with comfort and independence for life. This will arrest the tide of immigration at this point. It will be known throughout Europe, as the spot where labor is in demand, wages good, pay prompt, living cheap, and farms paid for from the profits of a single crop. By these means this strip of thirty miles in width, or parcel of 20,000 square miles of country, will soon become spotted with an industrious population. . . .

BY ROBERT RANTOUL, JR.

. . . During the last ten years Illinois has labored under a debt, of a magnitude absolutely overwhelming, when compared with her resources at the commencement of that period. She had then before her a very gloomy alternative. If she endeavored to meet even the interest of her obligations she would be crushed under the weight of an intolerable taxation, from which her most able and enterprising citizens would have fled into other States. If she abandoned the effort in despair of the possibility of success, then she must suffer all the consequences of the total loss of credit consequent on her bankruptcy. In neither case did it seem to be probable that her public works could be made available towards the discharge of the debt incurred for them, or aid to develop the resources of the State. Why should an emigrant from the old world, or from the other States, with the broad valley of the Mississippi open before him where to choose, voluntary assume a full share of these embarrassments by becoming a citizen of Illinois? The answer which emigrants have given to this question may be seen in the settlement of Wisconsin, which State, with a colder climate and a harder soil than Illinois, has added to her population more than eight hundred and eighty per cent. in the last ten years: a progress unprecedented in the history of the world, in any agricultural community.

Ten years ago Illinois, borne down with debt, had not only not a mile of Railroad, or canal, or plank road, in operation within her borders, but no reasonable plan had been agreed upon by which she could hope to diminish her debt, discharge her interest, or acquire facilities of communication. She has now her canal debt rapidly approaching towards extinction, revenues sufficient in a very short time to discharge her whole interest without increasing the rate of taxation, one hundred miles of canal, and a still greater length of Railroad, in highly profitable operation, with plank roads in great numbers, paying dividends large enough to insure the early construction of several thousand miles more. Not only so, but she has before her the certainty that she will be supplied with more than twelve hundred, perhaps it may be safely said, more than fifteen hundred miles of Railroad in the next five or six years; and channels are already constructed to convey her products, transported to her borders on these Railroads, through Michigan, Indiana, and the Eastern States, to the seaboard and abroad. If, paralyzed as she was for the last ten years, her growth was at about the same rate as that of Michigan, having less than half as dense a population, with her Railroads and her lake borders and her steamboats; about the same as that of Missouri, with, only two-thirds as dense a population, and with the Queen City of the Great River in her centre, receiving the whole current of emigration up the Mississippi; about the same numerically as that of Wisconsin and Iowa together, these two starting with a hundred thousand square miles of land unoccupied, wholly unencumbered with debt and accessible from the lake and from the river; why should she not, in her present healthy condition, her limbs unshackled and her pathway free before her, advance with the step of a giant refreshed, towards her natural position among the first in population, power and wealth of the North American confederacy of States?

Even under all the disadvantages which have impeded the progress of Illinois during the last ten years, disadvantages whose effect it would not be easy to over-estimate, the growth of those sections of the State which can be easily reached from the northeast has been such as to afford an indication of what may be expected from the whole area when it is once made equally accessible. The two land districts of Chicago and

Dixon, forming the northern section of the State, contain together 14,126 square miles, or about one-fourth of the land in the State. This northern section alone is accessible from Lake Michigan, and of course has received the whole benefit, in common with the southeastern part of Wisconsin, of the lines of steamboats from Buffalo and Detroit, and of the travel over the Michigan Central Rail Road. It had by the last census, two hundred and fifty-five thousand, eight hundred and seventy inhabitants, or eighteen to the square mile; and is divided into twenty-four counties. If we take separately the northern belt across the whole breadth of the State we shall include in thirteen counties, every county within fifteen miles of which the Chicago and Galena Rail Road route passes. These thirteen counties increased about two hundred and eighty per cent. in the last ten years in the number of their inhabitants; having, in 1840, six and one-half to a square mile, and in 1850, about twenty-five to the square mile.

If we now take the belt directly south of this, including the eleven counties which constitute the remainder of the Chicago and Dixon land districts, we shall find that these are the counties accessible from the Lake through the Illinois and Michigan Canal. These eleven counties increased in population one hundred and nine per cent. in the last ten years. They had, in 1840, five and one-third inhabitants to the square mile, while in 1850, they had a fraction over eleven to the square mile. The remaining seventy-five counties of the State having no convenient access from the East for emigrants, and to the eastern markets for produce, have increased fifty-two and a half per cent. in ten years; and while in 1840 they had nine and a half inhabitants to the square mile, or fifty per cent. more than the northern section, in 1850, they had but fourteen and a half to the square mile, or little more than half the average density of the thirteen northern counties.

The twenty-four counties, therefore, of the Chicago and Dixon land districts of Illinois exhibit, and enable us to measure the influence of Lake Michigan in opening a cheap highway to the vast territory upon its Western borders. This increase of two hundred and four per cent. in the population of an area larger than the States of Massachusetts, Connecticut, and Rhode Island together, has occurred during ten years, when the extraordinary and unprecedented prosperity of those Atlantic States, whence emigration to the West has been generally derived, kept at home on the seaboard a population of about seven hundred thousand persons, who must otherwise, at the rate at which population advanced in those States during the next preceding decade of years, have become inhabitants of the Mississippi Valley, and for the most part, of the northern part of the Valley. This increase of two hundred and four per cent. has occurred in the accessible section of Illinois, in ten years of financial embarrassment and State bankruptcy, most repelling to immigrant settlers; and to know how far these circumstances have depressed the growth of Northern Illinois, let us cross the border line into Wisconsin, and measure there the effect of the Lake, as a great avenue, upon the portion of Wisconsin open to its influence. . . .

The State debt of Illinois has ceased to cause alarm. It is obvious that the taxes provided for in the Constitution of the State, levied on her rapidly increasing property, would soon be sufficient to meet her liabilities. But it is certain that the opening of her great system of Railroads will accelerate the increased valuation of her property by many millions annually, while her share of the gross revenue of the Central Road will enable her soon after that road is opened, to begin rapidly to extinguish her debt. This obstacle being no longer formidable, the central and southern parts of Illinois are now ready for the full development of their natural advantages. The remainder of the State, with a warmer climate than that which already trebles its numbers in ten years, lessening the expense of shelter, fuel and clothing, has also a soil tillable with less labor, and yielding larger harvests, and, underlying many thousand miles of its area, one of the largest coal beds in the world, not too far from the surface, and in many parts of excellent quality. I say nothing of the metalic minerals of Northwestern or Southern Illinois, not because I undervalue them, but because I cannot extend this communication to do justice to their merits; and because in land for agricultural purposes alone, Illinois has wealth enough for an empire. Open a vent for her products, and her central and southern lands will be sought for as eagerly as those have been which already open on Lake Michigan. Difficult of access as are most of her lands, now remaining unsold, they are still sought for in much larger quantities than those of any other new State. The public land sold in the seven Northwestern States during the year ending June 30th, 1850, before the projection of the Central Rail Road began to influence sales in Illinois, was distributed as follows:

Sales of land in the seven Northwestern States for the year ending June 30th, 1850, according to the Report of the Secretary of the Interior, of the 3rd of December, 1850.

Ohio,	34,677.25	acres.
Indiana,	120,998.93	"
Illinois,	275,119.48	"
Michigan,	48,675.04	"
Wisconsin,	162,098.87	"
Iowa,	112,832.75	"
Missouri,	227,000.89	"
	981,403.21	"

. . . The tract through which the Illinois Central Rail Road is to pass is mostly destitute of cities and towns, but these must be built up at intervals, along the new channels of intercourse which we are about to open, as Chicago, Milwaukie, and so many other centres of distribution and exchange have been already on the Lake and on the rivers. As the population grows denser wealth will accumulate, not in the same proportion to population certainly as at the head-quarters of American railroads,—the State of Massachusetts, whose wealth has doubled in the last ten years,—but rapidly enough to improve constantly the circumstances of the inhabitants, and of course to raise the value of the land in a greater ratio than the increase of numbers. I say it is not to be expected that individual wealth should accumulate as rapidly in Illinois as it has done for the last ten years in Massachusetts; the last ten years having been precisely the period of the greatest prosperity and most rapid progress that Massachusetts has ever known. Yet in that portion of Illinois most easily accessible from Lake Michigan, and on the line of the Railroad to Galena, not only has population quadrupled in the last ten years, but the wealth was six times as great in 1849 as it was nine years before; so that the shares of the individual inhabitants increased faster than even in Massachusetts, where profits are annually re-invested from the accumulated capital of more than two hundred years.

In Massachusetts the valuation of 1840 was a little less than three hundred millions of dollars, or more than four hundred dollars per head. In 1850 it was a little less than six hundred millions, or a fraction above six hundred dollars per head; so that each man's share had increased fifty per cent. in ten years, a prosperity not unenviable. In the thirteen northern counties of Illinois, the aggregate wealth which in 1840 was $3,630,040 had risen to $21,942,239 in 1849, or from $77.25 per head to $134.27 per head. The same rate of increase per head would make each individual's share exceed two hundred and sixty dollars in 1860; and if we suppose the population of these counties to increase only two-thirds in the next ten years, about three hundred thousand inhabitants would possess about seventy-eight millions of dollars' worth of property. This amount gives $16.91 per acre for the whole area of these thirteen counties, and if we allow the land to constitute two-thirds of the valuation, which is much less than its true proportion, it gives more than ten dollars per acre as the price of land.

The experience of Illinois shows, therefore, that as her population becomes more dense, their wealth has increased in a ratio quite sufficient for the purpose of the present examination. Is there any reason to fear that her lands will offer fewer inducements to emigrants in future, or that less success will attend those who occupy them? It is obvious that the answer to this question depends much on determining whether the produce of these lands can be profitably taken to market, and whether the world furnishes markets sufficient to take off the immense surplus they are to yield.

Corn was carried during the summer from a point several miles above the mouth of the Illinois river down to the Illinois, thence up that river to the canal, thence to Chicago, and thence to New York, and there sold at a profit. Corn was not low in Illinois last summer, but in New York it was considerably lower than the average of the last four years. Corn will go to market cheaper from the lands in the Danville district, on the line of the Chicago branch of the Central Road, than from the point of shipment on the Mississippi first referred to. Corn is so cheap and bulky that all other agricultural produce may be carried much further on the Railroad without too great an addition to its price. All produce for which a market can be found at the seaboard will bear the cost of transportation from Illinois.

Nor need we be alarmed at the vast amounts of produce which these unsettled tracts are capable of yielding. The Northwest never received so great an accession to its population in any equal period as in the last five years; the emigration from foreign countries, most of which passes to the northwest, having risen to 299,610 in 1849, and to 315,333 in 1850, instead of less than fifty thousand a year as it was formerly. Yet with this unparalleled increase of laborers cultivating the richest soil of the world, with the new avenues to market that have been opened during that time, all pouring to the seaboard the surplus of a succession of bountiful harvests, in quantities unheard of before, and at much lower freights than before, the supply has not kept pace with the demand, as is shown by the fact that agricultural products, almost without exception, have borne much higher prices during the last four years than during the four next preceding.

Stimulated by this rise of prices, the exports of the last four years exceeded those of the four years previous, in vegetable food and the products of animals alone, by about one hundred millions of dollars in the total.

The animal products exported from 1843 to 1846, inclusive, were valued at.....	$24,153,331
And the vegetable food at.....	47,335,438
Making an aggregate of.....	$71,488,769
But during the period from 1847 to 1850, inclusive, the exports of animal products were about doubled, and amounted to...	$47,354,655
The vegetable food was more than doubled, being.....	123,720,738
	$171,075,393
Subtract amount in previous four years, ...	71,488,769
	$99,586,624

The exports of the South increase also, which is an important element in the prosperity of the Northwest; first, because the South, while her peculiar staples are profitable, will not compete in foreign markets with large supplies of food, which she could easily furnish if her industry were directed to that object; second, because the South, in years of prosperous export of her staples consumes vast quantities of Northwestern products, which she might otherwise raise at home. The export of her three chief articles were,

	1843 to 1846.	1847 to 1849.
Cotton, ...	$197,690,291	$253,795,725
Tobacco, ...	28,996,314	30,548,438
Rice, ...	8,600,207	11,138,639
	$235,286,812	$295,482,802

That all these products, both those of the North and those of the South, if they are exported in greater quantities than formerly at higher prices, would be required and consumed abroad in quantities still more rapidly increased, if they were afforded at lower prices than from 1843 to 1846, is almost too obvious to be stated; and yet it is equally obvious that the prices might be reduced considerably below those of the former period to the consumer, and yet leave a much larger remuneration than before in the hands of the original producer, because of the saving of so large a part of the addition made to the cost of the article in the expense of transportation. The increased power of consumption of the inhabitants of Great Britain is also well ascertained, and seems from the latest returns to be steadily advancing.

The demand for Northwestern products for exportation, is, however, far from being the only dependence of the producer. The home demand increases, and must continue to increase, in a ratio even greater than the foreign demand. As the country grows richer, a larger proportion of its population is withdrawn from agricultural pursuits, to be employed in manufactures and mining, and in the management of internal exchanges and transportation, and foreign navigation and commerce. All these persons, ceasing to grow their own food, and consuming freely, since, taken as a whole, they have ample means to purchase, create a continually expanding demand, which for the last five years at least, has not been overtaken by the supply. This progress in this country is far beyond that of any other part of the world, in the rapidity with which it proceeds. . . .

To recapitulate, I have shown that our lands lie along the natural route of the greatest thoroughfare on the continent, that connecting the Northeast and the Basin of the lakes with the Southwest and Gulf of Mexico, and thence with the coast of the Pacific; that the land between the Middle States and Illinois is taken up; that the younger States have a vast surface of land which is inaccessible; that the small portion which is accessible is settled already more densely than Illinois; that Illinois, notwithstanding her embarrassments, has sold more land and added greater numbers to her population than any other State of the Northwest; that this is what should be expected from the fertility of her soil; that where her land is open to easy access the increase in numbers and wealth is amazing and almost incredible; and that the districts through which our road runs are only waiting for an avenue to market to advance at the same rate. I have shown our exports of the products of the Northwest increasing from seventy-one millions to one hundred and seventy-one millions of dollars in value in four years; while such is the increase of population not agricultural, from increased manufactures, navigation, commerce, and city life, that together with the demand for export, they have caused the prices of all Northwestern products to rule higher, in spite of the vastly augmented number of producers.

I have shown that the settler in Illinois may obtain much more of all that he wishes to buy for a given amount of his produce, and for some of the most important articles at least twice as much as he could do five or six years ago. Consequently inducements to settlers are stronger now than

ever; and when we find emigration proceeding at a rate which will add five or six millions to the population in ten years, we inquire to what section of the country will these emigrants be drawn, and find no reason why Illinois should not, as she has done for several years past, receive a larger number than any other State.

Calculating her increase of population at rates far below what our data will justify, we find it reaches a density which has never failed to give to land a value much higher than is fully adequate to discharge the whole amount of the bonds to be predicated on our land, in less than half the time they have to run. The remaining half of that period is certainly a sufficient time to be allowed for all possible contingencies of war, pestilence, or other disturbances of the ordinary current of events.

I consider then that any estimate which shall give to the lands belonging to the Company an average value of from ten to twelve dollars an acre to be reached in twelve or fourteen years from this date, is amply sustained by the facts presented in this communication.

BUSINESS ENTERPRISE

In 1846, by the vote of the electors of New York State, delegates to a new Constitutional Convention assembled at Albany from June 1 to September 10. They wrote a new frame of government which was, in harmony with the times, a liberal one. Among its more important achievements were the abolition of copyhold land tenure and the inclusion of a general business incorporation law. The first secured the extension of freehold tenure in the state. The second, by limiting the liability of investors in corporations, opened the doors to new venture capital in all types of business enterprises. The Banking Law of 1838 had established the so-called "free banking" system in New York. Now, all business corporations, particularly those engaged in manufacturing, were to be "free" in the sense that they did not require special legislative charters. Both provisions in the new constitution were hotly debated. That which had to do with the end of copyhold tenures was bitterly contested because the old feudal hangovers had a long history in New York. The background of this struggle requires sketching in order to make the debate before the Convention intelligible.

A lavish land policy—Dutch, British, and American—had put large areas of New York into the possession of land companies or great landowners. The Van Rensselaers, for example, owned a tract twenty-four by forty-eight miles along the Hudson; the Livingstons were almost as well endowed; while much of Schoharie, Delaware, Montgomery, and Greene Counties was owned by foreign land companies or their American successors.

The land companies, for the most part, sold their tracts on deferred payments spread over a long period of time. Some of the owners of the older patents, notably Stephen Van Rensselaer, did not sell land but leased it in perpetuity, subject to payments in money, kind, and services, as well as an alienation fine of one year's rent if the grantee should transfer his holding. Under this tenure, the landlord had the right of distraint and reentry if the conditions were not met: a man who failed to render the agreed payment might be ejected, not merely subject to the sale of his goods. All this, of course, was similar to copyhold tenure, much more common in England than in America.

The post-Revolutionary generation resented such survivals of feudalism sufficiently to force the New York State Legislature to appoint an investigating commission. In 1811, that commission declared the "leasehold" tenures objectionable: the right of distraint should be ended and similar grants should be forbidden in the future. No action was taken, however, and rents ran on, piling up arrearages in hard times, for Stephen Van Rensselaer was not too pressing a landlord. Then, in 1839, the "old Patroon" died, leaving the manor to be divided between his two sons and the accumulated arrears of rent as a fund to pay his debts. The tenants appointed representatives to make terms with the heirs. They refused to deal with

the tenants and insisted on the payment of the arrears.

The summer following, writs of ejectment were put into the hands of the sheriff of Albany County. The tenants refused to permit service of the writs; resisted the sheriff's posse; and were served warrants for contempt. The intervention of a legislative commission in 1840, seeking a compromise, met with no success.

Disorder continued and spread from Albany to Columbia County. At the same time, the tenants and their advocates formed an antirent organization to make their grievances known to the public. While this was sending memorials to the legislature, "Indians" in sheepskin masks and calico dominoes were resisting sheriffs' attempts to serve writs for distraint. In 1844, the sheriff of Columbia County was assaulted and two people were killed in the ensuing riot. An antirent political meeting was raided and one of its leaders arrested, tried, and finally sentenced to life imprisonment.

Neither that example nor legislative provision for the arrest of "disguised persons" ended the disorder. Lawlessness spread from Albany and Columbia to Delaware County, where the transfer of the controlling interest in the land companies to new owners caused fear that excessive premiums would be exacted for the renewal of the deferred-payment privilege. In May, 1845, a particularly efficient under-sheriff was kidnapped, and in the following August, when fighting broke out at an enforced sale on a Columbia County farm, he was killed. Delaware County was declared to be in a state of insurrection; the militia was called out; and the county jail was crowded with prisoners. At the trials in September, 28 persons were convicted of riot, 15 of unlawful assembly, and 2 of murder.

Parallel with the attempt to use riot as a political weapon, the people of the affected counties had established a newspaper, petitioned the legislature, held political meetings, and demonstrated their strength at the polls. Their influence seemed considerable enough to make conservative men wish to postpone the meeting of a convention to revise the state constitution.

The voters of the state decided in favor of a Constitutional Convention in 1846, however, and the antirent forces made a strong effort to have the new constitution declare against the validity of the landlords' titles; as they had tried to persuade the legislature into having those titles contested in the courts. The debate and constitutional provisions cited show how far they were successful. Although copyhold tenure was ended by the Constitutional Convention of 1846, the courts continued to be busy with suits and countersuits arising out of the problem until death and speculation joined to make a final settlement of the "old Patroon's" estate.

The passages here reprinted are from *The Debates and Proceedings in the New York State Convention for the Revision of the Constitution* (Albany, 1846).

The New York State Constitutional Convention of 1846

1. Creation of Business Corporations

The Convention resumed the consideration of the report of committee No. 17, on incorporations other than municipal and banking.

The 1st section was read as follows:

§ 1. Special laws creating incorporations or associations, or granting to them exclusive privileges, shall not be passed. But the Legislature may pass general laws by which any persons may become incorporated, on complying with the provisions to be contained in such laws. And all Corporations shall be subject to such general laws as the Legislature may, from time to time enact, not inconsistent with the provisions of this constitution.

Mr. Loomis opened the discussion with some historical allusions, showing the necessity of corporations, and their existence for a long period in this and other countries. The question was, if they were necessary, how they should be regulated so as to produce all necessary good and prevent unjust inequalities? He briefly alluded to the various applications made to the legislature to ob-

tain charters, and said all this might be accomplished by a general act. He enumerated a large class of companies, whose object was not to produce profit to the company, and which might be formed in that way.—Mr. L. briefly glanced over the several provisions of the article, explaining, as he went along, the objects intended, and the evils to be guarded against—and urging that whilst it would relieve the legislature of a great deal of labor and loss of time, it would give to the community all the advantages of corporations, protect them against their excesses, and do away with all exclusive privileges and special grants.

Mr. PERKINS asked if it was designed to pass a general law to fix the rate of tolls on railroads, for some companies with but little traffic could not afford to charge rates as low as some others with much traffic.

Mr. LOOMIS said it was not proposed to make any such provisions.

Mr. NICOLL moved to amend by inserting in the fourth line after the word "incorporated" the following, "or be entitled to any of the privileges of incorporations;" and in the fifth line after the word "corporations" the words "or associations." He offered the amendment to give the legislature power to pass laws for the organization of societies that did not desire all the powers of an incorporation, which could not be done by this article as it stands.

Mr. LOOMIS said the sixth section amply provided for all that the gentleman desired.

Mr. NICOLL said the word "incorporation" had a definite meaning, and he was satisfied his amendment was necessary to meet the difficulty and set the matter at rest, so as to give societies and associations the privileges to become *quasi* incorporations.

Mr. LOOMIS thought no difficulty woud arise by requiring them all to become corporations.

Mr. VAN SCHOONHOVEN thought there was much force in the position taken by the gentleman from New York.

Mr. TOWNSEND having made a few observations,

Mr. LOOMIS withdrew his opposition to the amendments.

Mr. MURPHY thought the article would include municipal corporations. Was such the intention of the committee?

Mr. LOOMIS said that was not the intention of the committee, and he therefore suggested an addition of the words "other than municipal corporations," if the gentleman from Kings thought proper to move that amendment.

Mr. MURPHY said he should not, as he desired to include them.

Mr. SIMMONS thought further amendments were necesasry. The word "private" might with propriety be introduced, for public corporations, of cities, villages, &c., should not thus be restricted, and only by act of the legislature. In England, banking companies were not called incorporations—they were designated "joint stock companies." The constitution should not be stuffed full of provisions either, in relation to elymosynary institutions.

Mr. SHEPARD doubted the propriety of making the amendment suggested by the gentleman from Essex. It would deprive cities and villages which were *quasi* corporations, of privileges which were necessary and now enjoyed, and would destroy remedies for injuries arising out of a disregard of their responsibilities.

Mr. SIMMONS did not press his amendment.

Mr. VAN SCHOONHOVEN asked if under this article the legislature could not pass a general law for the construction of bridges and highways? If so he was opposed to it, inasmuch as it would give power to obstruct rivers and streams in every direction. He moved the following amendment to obviate this objection, to come in after the word "corporations" in the 5th line:—

"Except as municipal corporations, and except corporations or associations for the construction of bridges, aqueducts or viaducts over the navigable streams or public highways of the state."

Mr. TOWENSEND thought ample provision was made for this in a subsequent section.

Mr. VAN SCHOONHAVEN thought that did not give sufficient security. If they could build a bridge, he cared not what the "terms and conditions" were. He alluded to the attempt made to build a bridge at Albany across the Hudson.

Mr. STOW proposed to amend by inserting after the word "creating" in the first line, the words "manufacturing or banking"—and after the word "incorporated" in the 4th line, the words "for banking or manufacturing purposes." He said the evil was not in incorporating literary or charitable institutions, but such as were established for private gain. He pointed at the mischievous effect this section would have upon charitable, benevolent, religious, and municipal corporations.

Mr. MARVIN said the gentleman from Erie had spoken his views on this subject. He objected to any general provision which would enable companies to spring up without the supervision of the sovereign power. For years he had been opposed to corporations of a certain class, and had been disposed to watch with a jealous eye, every application for exclusive privileges of any kind! But notwithstanding this, he confessed he looked upon

this section with a great deal of alarm. He pointed out the evils that would result from it. The gentleman from Troy had pointed out one evil. A general law to build bridges over creeks or rivers, would authorize the building a bridge over the Hudson at Albany on the same terms, as over the Allegany river or any creek in the state. Now were we prepared to allow this? Should not the sovereign have the right to review each application as it came up? The amendment of the gentleman from Erie obviated this objection. The principle might, without danger, be applied to banking and manufacturing corporations; but he apprehended that the state might hereafter be completely under the control of these corporations. They would be found in the legislature, in the lobbies, and everywhere, controlling the action of government.

Mr. SIMMONS alluded to the general act under which religious and medical societies and manufacturing companies were now established. He thought the state should have an eye upon the establishment and location of these corporations, to prevent them from acquiring vested rights and then defying the authority of the state government, protected as they would be by the constitution of the United States.

Mr. LOOMIS thought all the objections which had been raised were answered on the face of the article if gentlemen had only given it due consideration. There were no special powers or privileges conferred by it. The aim of the committee was to prevent artificial corporations from having or exercising higher rights or powers than those possessed by natural persons. If an individual could have no right to erect a bridge between here and Greenbush, over the Hudson river, to frighten the people of Troy, then a corporation could not do so. Mr. STOW had said that there were no complaints against other corporations than those for banking and manufacturing companies. But by turning to the Session Laws, he found in the index of one volume more than 100 laws for the incorporation of companies, of which but four or five were banking associations, the rest being such general associations as might be incorporated by general law. Religious societies were incorporated in great numbers. There were at least 10,000 incorporations over the state, all finding protection and security under general laws. It might, however, be well to amend so as to exclude municipal corporations from its provisions. . . .

Mr. MORRIS offered as a substitute for the 1st section, as follows:

1. Laws creating corporations shall not be passed, except for municipal purposes, and for the construction of such works and for the performance of such business as necessarily require sovereign prerogative powers, rights and privileges. The legislature may pass general laws under which associations may be formed for business, religious and charitable purposes.

Mr. M. explained his purpose in offering this amendment.

Mr. RHOADES pointed out the impracticability of the substitute in question. Under it, the sovereign power could not be called into exercise, until it had been ascertained that it was absolutely necessary. For instance, take the case of the New York and Erie Rail Road Company. The power of the state to take land could not be called into exercise until the experiment had been tried along the whole line, and it had been ascertained that the lands could not be bought of the individuals owing them.—Mr. R. pointed out other difficulties in the way of the adoption of such a rule.

Mr. BASCOM was inclined to think that if we were to adopt any proposition on this subject, in the Convention, the section just offered was the nearest right of any that had been submitted. Mr. B. pointed out the distinctions which must be drawn between different kind of corporations—where they were necessary and where not. He doubted whether we should be justified in going the length of this amendment. But believing it far preferable to the original section, he should vote for it.

Mr. MURPHY opposed the substitute.

Mr. RUSSELL said there were some in this Convention termed "Barnburners," but he did not believe there were many who were disposed to burn all the barns in one fire. He hoped we should not sanction any such wholesale proposition as this, but that we should go rationally to work upon the plan submitted by the gentleman from Suffolk.

Mr. SIMMONS briefly continued the debate.

Mr. MORRIS said his object was to prevent the establishment of the same kind of society here which had been described as existing in other counties. He did not wish to see women and children carrying baskets for the emolument of those who did not labor, or children from an early age trudging off to factories to toil from early day to night-fall for the good of others.—This in Great Britain did exist; and the system might in some measure be traced to the law of primogeniture. He proceeded to shew that what primogeniture did on the other side of the Atlantic, corporations would do here.

Mr. SIMMONS said in his neighborhood, the

corporations did not make so much profit as individuals in their employment.

Mr. Strow controverted Mr. Morris' position that corporations were detrimental to equality. He said they tended to elevate and not to depress the poor: they enabled men of moderate means to compete with the rich. He referred to the city of Cincinnati, the largest manufacturing city in the union, where the largest part of the stock was owned by the manual laborers. He also spoke of the railroad stockholders in Massachusetts for the same purpose. Unless small means were united, nobody but the very rich could enter into certain enterprises. It was therefore a misapprehension to suppose that corporations were the same in effect as the law of primogeniture. . . .

Mr. Loomis remarked that the state of his health had prevented his being present yesterday, when this section was adopted; and perhaps the objections which presented themselves to his mind, on the consideration he had been able to give the subject, might be removed, but to him they seemed insurmountable. The article on the subject of banking, as reported by the chairman, and as adopted by the Convention, seemed to contemplate a system of free banking, that is, it proposed to allow all persons to embark in the business of banking, by complying with certain provisions and regulations to be established by law;—it contemplated no exclusive privilege to be granted to certain favored individuals by special act of the legislature, but proposed that all men should have equal privileges of incorporating themselves, and carrying on this business under such general regulations and restrictions as should be applicable to all alike. The article as reported, and as adopted, did not propose to define these regulations and restrictions in the Constitution. What these should be was a question upon which we might differ very essentially, and was a matter proper to be left to the legislature to settle. They might prohibit the issuing of bills as money, unless the bank should have specie in its vaults to an equal amount, and by that means make all paper money actually represent an equal amount of specie for its redemption at all times. In such case paper money would be at a small premium.—This to him seemed practicable and desirable, yet it was an opinion merely, and might not be found to be advantageous on trial. He apprehended that it would not be adopted at present, whatever might be its future success. He understood the views of the distinguished chairman of the committee (Mr. Cambreleng) to favor free trade in banking, under general regulations. In this he fully concurred; but to him it seemed inconsistent with such views to limit by positive enactment the extent of that business. If every man and association of men were at liberty to embark in the business, and to issue bills under such securities and regulations as the law shall deem adequate and safe, he did not see that we could, with propriety, say that the aggregate amount of business should not exceed a certain fixed sum. We proposed also to allow persons to incorporate themselves for other purposes: for instance, for the manufacture of cotton goods. Would it be consistent or proper to pass a law limiting the number of yards of cloth which should be made by them? This seemed to him precisely analogous. Under such a free system, properly regulated as to the securities required, banking, like other business, might, and ought to be left to accommodate itself to the business and the capital of the country. If the securities required should be specie in the vaults of the bank for all the paper issued as money, dollar for dollar, he believed no one would apprehend an excess of paper money, and there would be no more necessity for a restriction on the aggregate of issues than there would be to prevent too great an amount of gold and silver. The amount of paper issues would necessarily depend, as the amount of specie now did, on the business and wealth of the country. Again, it seemed to him impracticable—how was each particular bank to ascertain whether the aggregate amount of circulation by all the banks in the state, at any time, was up to the aggregate limitation in the law, in order to know whether or not it might lawfully issue more bills? Should the legislature parcel out at the commencement of each year the aggregate amount of issues among all the banks then existing? It could not in that way secure the object, because institutions might arise during the year, and if more bills were wanted the number of banks would multiply to meet the demand. This fixing the amount each year, and apportioning among the several banks, was to him the only conceivable mode of even approximating to an aggregate limitation. The result of this would be to invite the united power of all the banks each year to make common assault upon the legislature to increase the amount of bank issues. Such, to his mind, would be the worst of all imaginable systems. He was unable to see or to devise any suitable restraints upon the over-issues of paper currency, consistent with equal privileges to all alike to embark in the business, other than to fix the privilege of issuing paper as money, under such regulations as to make it no object of gain to any bank. And he could see no mode of securing this object, other than requiring a specie basis to the full extent of the paper sub-

stituted for it. This would necessarily make paper money command a premium, and would secure a currency whose aggregate amount would be regulated by the demands of trade, the prices of property, and the wealth of the country. He was, for these reasons, opposed to the section as adopted, and hoped it would be reconsidered.

[The article of the Constitution affecting business corporations, as finally adopted, follows.]

ARTICLE VIII

Section 1. Corporations may be formed under general laws; but shall not be created by special act, except for municipal purposes, and in cases wherein the judgment of the Legislature, the objects of the corporation cannot be attained under general laws. All general laws and special acts passed pursuant to this section, may be altered from time to time or repealed.

Section 2. Dues from corporations shall be secured by such individual liability of the corporators and other means as may be prescribed by law.

Section 3. The term corporations as used in this article, shall be construed to include all associations and joint-stock companies having any of the powers or privileges of corporations not possessed by individuals or partnerships. And all corporations shall have the right to sue and shall be subject to be sued in all courts in like cases as natural persons.

Section 4. The Legislature, shall have no power to pass any act granting any special charter for banking purposes; but corporations or associations may be formed for such purposes under general laws.

Section 5. The Legislature shall have no power to pass any law sanctioning in any manner, directly or indirectly, the suspension of specie payments, by any person, association or corporation issuing bank notes of any description.

Section 6. The Legislature shall provide by law for the registry of all bills or notes, issued or put in circulation as money, and shall require ample security for the redemption of the same in specie.

Section 7. The stockholders in every corporation and joint-stock association for banking purposes, issuing bank notes or any kind of paper credits to circulate as money, after the first day of January, one thousand eight hundred and fifty, shall be individually responsible to the amount of their respective share or shares of stock in any such corporation or association, for all its debts and liabilities of every kind, contracted after the said first day of January, one thousand eight hundred and fifty.

Section 8. In case of the insolvency of any bank or banking association, the bill-holders thereof shall be entitled to preference in payment, over all other creditors of such bank or association.

Section 9. It shall be the duty of the Legislature to provide for the organization of cities and incorporated villages, and to restrict their power of taxation, assessment, borrowing money, contracting debts and loaning their credit, so as to prevent abuses in assessments, and in contracting debt by such municipal corporations.

2. Abolition of Copyhold Land Tenures

The Convention resumed the consideration of the article in relation to estates in land, the question being on the first section, as follows:

§ 1 All feudal tenures of every description, with all their incidents are abolished

§ 2 No lease or grant of agricultural land for a longer period than ten years, hereafter made, in which shall be reserved any rent or service of any kind, shall be valid

§ 3. All covenants or conditions in any grant of land whereby the right of the grantee to alien is in any manner restrained, and all fines, quarter sales, and other charges upon alienation reserved, in every grant of land hereafter to be made, shall be void.

Mr. Simmons moved to add to the section, as follows:

"Saving, however, all rents and services certain, which at any time heretofore have been lawfully created or reserved."

Mr. S. moved also as a second section, the following:

"All lands within this state are declared to be allodial, so that, subject only to the liability to escheat, the entire and absolute property is vested in the owners according to the nature of their respective estates"

Mr. S. remarked that what he proposed to add was already in the revised statutes, and should be in the constitution as declaratory of the true character of the tenure of estates in land.

Mr. Harris had no objection to the amendments. They did not change the effect of the section, in any way. It would divest the landlord of no vested rights, if he had any. It would, however, strip these tenures of certain incidents—such as fealty, and the right of distress, which were derogatory to freemen.

Mr. Simmons said the revisors thought it necessary to make these reservations, after the broad language of the section as it stood.

Mr. Hunt asked if this right of distress was

not just as much a vested right as the rents themselves?

Mr. SIMMONS said the supreme court had decided that a certain number of these incidents that used to be matter of right by common law, had become obsolete—such as fealty. One of these rights was that a man might beat his wife with a rod not bigger than the judge's thumb. As to the right of distress Mr. S. said this would not abolish it as a remedy. But that was a matter which did not come up here.

Mr. HARRIS said he must set the gentleman right on this point. Distress was the incident under the feudal system, by which and rent fealty were extorted. So far, he desired to abolish this incident of the tenure. The statutory remedy by distress had been already abolished.

Mr. SIMMONS said the gentleman and he did not differ at all. All of us desired to abolish this tomfoolery.

Mr. SIMMONS' amendment to the first section was adopted.

The question recurred on the section as amended.

Mr. RUGGLES said he should like to hear of what possible use these provisions could be to those who complained of the present state of things? We had here, in the revised statutes, the very thing which it was proposed to put into the constitution. It was a subject purely of legislation. There was no danger that the legislature would even interfere to give landlords any broader rights than they now had. He doubted the propriety, at this late stage of the session, of bringing forward these propositions, the effect of which it was difficult to understand—especially if they changed the law in any respect—and if not, there was no occasion for them.

Mr. SIMMONS replied that there was something in the very name of feudal tenures, and just in proportion as it meant everything or nothing, and was understood by nobody. Certainly there could be no harm in changing the name—in abolishing feudal tenures in the constitution—as had been already done, he granted, by statute. If, however, he thought it would make any real, substantial difference in pre-existing property, he would go as far as the gentleman from Dutchess to protect them. It would put an end to even the name of a thing that had its influence on the character of a people. He could tell a man from a feudal region by the very expression of his countenance. If this system of tenancy, moderate as it was, and well vested as he granted the rights of the landlord were, was general all over the state, he predicted there would be a revolution as quick as that which took place under Charles II. Surely there could be no harm, he repeated, in declaring the tenures of all land in this state, to be allodial not feudal, saving all rights.

Mr. JORDAN said the amendment could do no harm, and it might do good. The abolition of feudal tenures, and the impossibility of creating them hereafter, was desirable. And as they were abolished by statute, so ought they to be abolished by constitution—that could not be altered as a statute could every year. When the subsequent sections came up, the friends of them would endeavor to defend them, if opposed.

Mr. RUGGLES said if feudal tenures were not already abolished by statute, and if they had not been for the last sixteen years, without the slightest possibility of their ever being restored, he should not object to putting this clause in the constitution, so as to prevent their restoration. But he had no more fears of a restoration of feudal tenures in this state, than of an attempt on the part of the legislature to establish a monarchy here. And if it led these occupants under leases to believe that their condition was changed from what it had been heretofore, it would be an injury to them to put it in the constitution. He confessed he made no objection to this first section, partly because he thought he saw in the other section very serious grounds of objection, and that the same reasoning would apply to all. If it was proper to make such legal provisions as these it was proper that it should not be done by a constitutional provision, but in such a way that, if found inconvenient, as it would be, and if all parties should exclaim against it, as they would—it might be changed. But the great objection to the first section was that it changed no right, altered no law, secured no privilege and no immunity, and only made that irrevocable, which was now nominally revocable, but which the legislature probably never would revoke. One of the modes by which the evils complained of would be gradually worn away and removed, was in the abolition of primogeniture, and in the nature of our law of descents. It would be much more conducive to the interests of these tenants to make that a part of the constitution—for there was more probability of a change there than in other respects. He repeated that his objection to this provision was that it was useless, and that if it would have any effect, it was not perceived or seen by any body. If it could operate to reconcile the complainants to the present state of things, he would vote for it; but it could not, unless they misconceived its operation. But they would not care any thing

about it. It was utterly and positively useless. And hence, he would not vote for it.

Mr. VAN SCHOONHOVEN wished to have this question fixed beyond the power of the legislature to alter it. It was a principle which should be as distinctly asserted in our fundamental law as any other which had been placed there. The people interested looked for some relief in regard to these tenures—for though they had been abolished by law, they might be revived by law. And gentlemen were mistaken if they supposed that feudalism had no advocates among us. It had been openly advocated by a writer (he would not say a popular writer) of great eminence and reputation. He trusted the section would receive the unanimous vote of this body.

Mr. NICOLL thought it would be more seemly that this proposition should be in a negative form. To say that "all feudal tenures are abolished," when it is known that they had been abolished for fifteen years, appeared to him but a little short of stultification. Better say "no feudal tenure shall hereafter be established."

Mr. HARRIS did not suppose the adoption of this section would affect any man's rights, nor, if it was not adopted, that the statute would be repealed, and the feudal system re-established. His only object in desiring its adoption was to obtain for this body and the people a formal prohibition of this system, and to secure against it the moral influence of such a declaration, that the system was not congenial with our institutions, and ought to be utterly eradicated from among us.

Mr. SIMMONS moved to insert "hereby declared to be" before "abolished."

Mr. JORDAN confessed that he participated in the feeling which pervaded this whole region, and he might say in the feeling that pervaded the whole state, that it was inconsistent with the spirit and genius of our institutions, that men should hold their farms on which they were to sweat and toil, subject to the superior dominion of a lord, who for the mere pride of being their lord, and not for any pecuniary interest growing out of this relation, had determined to hold on to his dominion over this property. So far as these tenures could be brought into disrepute and yet preserve the faith of the state, and individual and private rights, it should be done. And the tenants under these leases—than whom a more honest and respectable body of men existed no where—neither desired nor expected any violation of private rights. This should be done, and done now, by a fixed rule in the constitution. The principle that these tenures should be abolished, beyond the possibility of being revived again, ought to be insisted on here; and we ought not to turn this tenantry away with the declaration that they never would be revived again. If it would have no other effect than to gratify the tenantry, who, in the true spirit of freemen desired to see these tenures discountenanced, with all their incidents, and if we could do that without doing harm to any body, or interfering with any man's rights, we ought to do it. So if it should induce the landlord, under this expression of the Convention and the people, to part with the fee of the land, on just and equitable terms, we should have done much to alleviate the condition of those who felt degraded and oppressed by these tenures. Mr. J. alluded to the terms of some of these leases—among them these—"you shall not entertain a stranger in your house over 24 hours without giving notice to the landlord in writing." "You shall build a barn on the premises within one year, shingled with straw, and floored in a particular manner." "You shall set out 200 apple trees, and when one of them is destroyed you shall immediately replace it," be it in summer or winter. "You shall pay so much towards supporting such minister of the gospel as the landlord shall provide to cure the souls of his tenantry." "You shall go to my mill," &c., &c., and "for any violation of these conditions you shall forfeit your title."

Mr. SIMMONS said these conditions were obsolete in effect.

Mr. JORDAN: No, sir.

Mr. SIMMONS:—They are void.

Mr. JORDAN: No, not void. He could turn to a case in Johnson where Gov. Lewis recovered back a farm for a violation of one of these conditions. But he admitted that they could not be enforced here, for public opinion would frown down the attempt. He trusted there would be found enough of the spirit of freedom here to put this clause in the constitution.

Mr. BERGEN moved the previous question and there was a second.

The first section as amended was agreed to, as follows—ayes 84, nays 12.

The second section proposed by Mr. SIMMONS came up next.

Mr. KIRKLAND said there might be no danger in this; but he asked whether there would be the slightest use in it?

Mr. SIMMONS said it made the whole thing harmonious—and there could be no harm in declaring what the tenures of property should be. Indeed, there was a propriety in it, independent of any of the *isms* of the day.

Mr. RUGGLES said he should vote for this section to show that the intention in adopting the

former section and this was to transfer them from the statute to the constitution, and nothing else.

The section was adopted.

The second section (now the 3rd) was read. [It forbids the leasing of agricultural lands for a longer period than 10 years.]

Mr. WHITE moved to strike out "for a longer period than ten years." Lost.

Mr. NICHOLAS moved to strike out the section.

Mr. STOW moved to amend it by striking out "ten" and inserting "twenty-one," so that infants' estates may be leased during their entire minority. Agreed to.

Mr. VAN SCHOONHOVEN moved a reconsideration.

Mr. SIMMONS thought we had better be content with the two sections already adopted.—The rest was all legislation, and should not be in the constitution.

Mr. HARRIS said he should feel obliged to vote against the section, because of the amendment adopted with so much haste upon the motion of the gentleman from Erie. If the proprietors of the lands, whose leases are about falling in, should be allowed to release for the term of twenty-one years, it would answer their purpose about as well as the present system.—He should have preferred five years.

Mr. RUSSELL voted against the amendment, but he should vote for the section, hoping, upon a reconsideration on Monday, to restore it to its original form.

Mr. HARRIS thought the argument of the gentleman from Erie should have no influence upon this question, which affected the interests of thousands of the people in this vicinity, while there would be few instances where infants would be injured by the provision.

Mr. BRUNDAGE moved to insert after "years" the words, "or natural life of the grantee." The right to dispose of one's property during one's own life, was a right which was inalienable, and which he would not divest himself of or others.

Mr. BROWN said he voted against the first section, because it abolished what had been abolished for sixteen years, and of which there was no more prospect of a revival than there was of the revival of a belief in witchcraft.

Mr. VAN SCHOONHOVEN:—That may revive.

Mr. BROWN said it might in that section of the state where these questions originated; but not in any intelligent section of the country.—Now he voted against the first section, not because he was unfriendly to the principle, but because he regarded it as a perfect piece of humbug throughout. The second section he voted for, because they belonged together. But we were now called upon to abridge an important right, to deprive him (Mr. B) from leasing his property beyond ten years, if he had an opportunity. It was in direct opposition to the great principle which had animated all the people of this country, that of the free right of alienation of property. It was a project which no man in his senses, but for the complaints in this Antirent, would for a moment think of. It could do no benefit to any person, and might work the greatest injury to every part of the state. He admitted that these people had great ground of complaint. He should be willing that the state should contribute to relieve them, but it was a mockery to tell them you had done them good, when you prohibited people in all other sections of the state from leasing their property beyond ten years. No such provision could get his vote.

Mr. CLYDE thought the term "humbug," which the gentleman applied to the proposition which had been adopted, would belong to himself when he asserted, after his remarks upon this proposition, that he was in favor of granting any kind of relief to the tenants on these manors, and that he was strongly enlisted in their favor. He went on to show that these twenty-one year leases were much worse than leases for life; for after the tenant had spent years in its improvement, he would be subject to an ejectment.

Mr. WATERBURY continued the debate, in opposition to any law which recognized two classes in society.

Mr. NICOLL said there were lands in the vicinity of New-York and other large cities, which were rented for agricultural purposes for a long term, and in view of their being wanted hereafter for city purposes. These lands must remain unproductive under such a restriction as this. He would amend the section as it stood, by limiting its provisions to a certain quantity, say twenty-five acres, to meet these particular cases.

Mr. WORDEN attributed the superior agricultural condition of Western New York in a great degree to the fact that that section was free from the curse of any of the incidents of feudal tenure, and that the western farmer was lord of the soil he cultivated. As a question of political economy, it was well worth consideration not only that these terms should exist, but that the free alienation of property should be encouraged, by prohibitions of long leases. Even in England, it had been proposed to parliament, by a commission, to prohibit leases beyond 21 years. He went on at some length, to urge also the propriety of making these rent charges redeemable after a certain period.

Mr. LOOMIS sustained the section, as in har-

mony with the true policy of our government, which was to favor the free alienation of property, and to discourage the accumulation and perpetuation of large estates in particular families. He was in favor also of a shorter term than 21 years, and of an extension of the principle to city property as well as agricultural lands.

Mr. HARRIS said in reply to Mr. BROWN, that this was not the first time that it had been his fortune to have his motives impugned in the manner in which the gentleman from Orange had seen fit to do so to-day. Demagogueism had been imputed to him before—

Mr. BROWN did not accuse the gentleman of that.

Mr. HARRIS said he was the author of this proposition, and if the gentleman's remarks had any point, they referred to him.

Mr. BROWN said if the gentleman would take it be it so. He disclaimed it however.

Mr. HARRIS left the matter to those who heard the gentleman, and went on to contend for the principle of the section, as involving a great principle of political economy, that was founded in right itself, and worthy of a place in the constitution. He contended that there should be no more restrictions placed upon the alienation of real estate than upon personal estate. Property was improved by passing from hand to hand. When a man owned the land he cultivated, he would find it to his interest to add to its wealth. This inducement was not found where these long leases existed, and the lands were consequently indifferently improved.

Mr. KIRKLAND followed on the same side of the question. He believed that these tenures were disastrous to agriculture and the best interests of the State. They also tended to degrade the character of the tenants. This was an opinion which he had formed long before anti-rentism was thought of. He would not for any human inducement violate the rights of a single individual; but he believed that the interests of the state would be advanced, and the character of humanity elevated in the instance of hundreds, without the slightest injury to any one, by the adoption of some principle which should induce the landlords to part with their lands to those who occupied and tilled them. He proposed to amend by inserting "ten" in place of "twenty-one," and inserting a clause providing for the case of infant's estates.

Mr. HOFFMAN opposed the section, at some length.

Mr. BROWN in reply to Mr. HARRIS, said that in characterizing this proposition as humbug, and as unworthy of any man, he alluded not to the gentleman from Albany, but to the action of this Convention. He went on to say, that there were no people in any portion of the state who felt more acutely the hardships of these tenants upon the manors, than his own constituents; and if there was any mode, short of the abrogation of the great principles upon which the government was founded, by which they might be believed, they would be ready to adopt it. But in his opinion there was no such mode.

Mr. HARRIS moved to strike out "twenty-one" and insert "twelve." Agreed to, ayes 46, nays 35.

The section, as amended, was agreed to. Ayes 46, nays 33.

Mr. CLYDE's speech in favor of the section was as follows:

Sir, many of my immediate constituents and thousands of others in our state, groaning under the chains forged by this blistering system, are looking to this convention for some relief. They ask for nothing that is wrong—they ask you to violate no just contract—to destroy no vested rights. They ask you to engraft upon the constitution of your state the proposition now before us, which will prevent this curse in future, and will be the means of wearing out and destroying in time the present existing evil. Shall this down trodden and oppressed people ask in vain? It appears to me that every man who loves his country and desires the peace and prosperity of the state—who is a republican in principle and practice as well as in name, will rejoice to see the proposition before us adopted.

Mr. President, I will not detain the convention with any detailed account of the peculiar grievances of a portion of my constituents and those of the adjacent counties, for I am admonished that the time allowed me to speak has very nearly expired—many of them I have alluded to already, and I presume the convention is in some degree familiar with them all. I would not, however, have gentlemen on this floor fall into the mistake of fancying the abuses I would guard against, merely local and temporary subjects of excitement—an excitement which a few more months will efface, without applying the proper remedy. Much, very much, growing out of the excitement of the past is to be deeply regretted and deplored, and none regret and deplore it more than the great mass of tenants—they have never encouraged the violation of law and order—they have never asked or wished for any thing wrong or unjust—they are honest and industrious, and feel a deep interest in the prosperity of the state, and all they have ever asked or wished for is just and equal

laws and equal rights. I know, sir, that by some who are directly or indirectly interested, they are charged with every thing that is wrong—and I also as well know, that their motives have been impugned—their principles have been misrepresented, and they have been most grossly slandered and libelled. But, thank Heaven, a brighter day begins to dawn, the wrongs of the down trodden and oppressed, and the principles for which they contend are better understood, and the enlightened and patriotic every where sympathize with them, and are ready to come to their relief.

Sir, I have endeavored to show that the evils I combat, either are or may be experienced any where—that time or circumstances may precipitate their development, but that their origin must be traced to that unwise policy which parcels out the earth to a favored few, and permits that few to bind down the many during their lives by the chains of leasehold servitude. So long as this system shall continue, there will be in our land luxury and pride, balanced by want and degradation, with a constant tendancy to the increase of them all. I hold it to be one of the most important duties of this convention to provide efficient safeguards against the aggravation and effectual remedies for the existence of the evils I have only had time to glance at. Give us some assurance that our children shall be permitted to eat the bread produced by their honest toil, and not be compelled to labor two days in the week for themselves and four for him who rents them the right to barely subsist upon the earth.

Sir, I will not detain the convention with any argument in favor especially of the proposition now before us, for after the kindness already extended to me, I cannot consent at this late hour of the session, to trespass farther upon its patience—but if adopted, as I hope it may be, no one, I think, can fail to perceive at first glance that it would secure effectually against this unwise system in future, and that under it the existing evil must eventually melt away.

And now, sir, permit me to ask, if the peace and quiet of our state—the great interest of agriculture—the virtue and intelligence of the sovereigns of the state where all power rests—the improvement of society—the wrongs and sufferings of the oppressed—and the safety and enduring prosperity of our state—do not all demand from us the remedy proposed against this uncertain, corrupting, debasing, degrading and slavish system of land tenures?

Let us then extend the broad shield of constitutional protection, and thus show to the oppressed and down trodden of earth, that we sympathize with them, and in the true spirit of patriotism and philanthropy come to their relief, and the relief of the whole agricultural interests of the state.

I am thankful, sir, that my ancestors were among the hardy sons of toil—that my early education and habits of life were formed under such influences, and that they who ate their bread in the sweat of their faces ever taught me to look upon agricultural pursuits as among the most honorable occupations of life. Partially to these influences, among others, no doubt, do I owe my sympathy for those of my constituents whose wrongs I have attempted to represent.

And now, sir, after mingling as I have done for months with some of the most talented, patriotic, and independent men of our state, and witnessing as I have done their persevering and untiring efforts to frame a constitution worthy of themselves and the people they represent, I can return to the quiet of my home with the full consciousness of having honestly and faithfully, according to the best of my poor abilities, discharged my duty to my constituents, and can behold in the new constitution which we shall have framed the provisions which are now sought to be engrafted upon it, the days of my retirement will be the happiest of my life, and to have contributed in an humble degree to the consummation of this object, as much honor as I shall ever desire.

THE SOUTH, THE WEST, AND NEW YORK

AT THE END of the forties, Southern interest in economic questions was expressed not only by the holding of commercial conventions, but also by the publication of *De Bow's Review*, the New Orleans counterpart of *Hunt's Merchants' Magazine*. Its founder, James Dunwood Brownson De Bow (1820–1867), had contrived to earn his way through college before he read for the bar and became editor of the *Southern Quarterly Review*. Interest in projects for Southern economic independence turned him from literature and he decided to establish a commercial review.

New Orleans would be more hospitable to such a project than the declining port of Charleston, De Bow concluded and, accord-

ingly, he carried his plan southward. After two years of struggle, he found a patron to aid him in keeping the review in print and by 1849 *De Bow's* was a success. Its prestige brought its editor appointment as superintendent of the Seventh Census, the chair of economics at the new University of Louisiana, and the post of chairman of the Knoxville Commercial Convention of 1857.

The *Review's* account of the Chicago Convention of 1847 (the first selection printed here) illustrates the growth of antagonism between sections which had long supported each other's political demands. While the South was drawing into itself and thwarting the passage of rivers and harbors bills in Congress, the West was beginning to urge federal support for internal improvements. That division was to grow during the next decade, for, though De Bow himself was in favor of federal aid to internal improvements, most of the politicians who shared his opinions were opposed to any general program. The rivalry between Chicago and St. Louis for the prize of the eastern terminus of a Pacific railroad was one of the factors delaying the execution of plans for such a road.

Intersectional links bound East as well as West to the Southern interest. Particularly close were the economic ties between New York City and the cotton-growing region. Merchants' enterprise had made New York the center of the cotton trade as early as 1815–20. For years, cotton was landed there on its way to Liverpool instead of proceeding directly eastward. New York firms thus obtained the foreign exchange with which to buy goods abroad and became the source of supply for Southern markets. Even when cotton itself began to be shipped directly from Southern ports, New York capital was invested in the vessels, many of which were built in her yards, while New York banks furnished the financial accommodations and New York merchants still supplied the bulk of Southern purchasers.

The group interested in furthering Southern economic independence resented the position of New York in the marketing of Southern cotton and the supplying of Southern needs. Establishing a direct trade with Europe was one of the most frequently repeated demands at the Southern Commercial Conventions which met during the forties and fifties to express their dissatisfaction with the government's economic policy.

The second and third articles from *De Bow's Review* show New York's dominance in the so-called Cotton Triangle and the efforts made by Southerners to persuade their merchants to deal at home. New York merchants feared the results of Southern resentment. They had opposed the earliest attempt at rousing abolition sentiment in New York; they had supported compromise in 1850; and when the attempt to turn Kansas into a slave state had created opposition even among Democrats in 1852, New York merchants had held a mass meeting for party unity. In the uneasy days of the presidential campaign of 1860, New York merchants and bankers had joined to force an anti-Lincoln coalition. Not until a combination of Southern threats, Western purchases, and the effects of a break in the stock market had combined to cause a revulsion in opinion, did such figures as the Astors finally admit the force of Republican claims to conservatism and urge support of Lincoln rather than the coalition. New York valued its Southern trade, but it had a home and Western trade as well; and the profits to be gained from industrial expansion through a Republican victory seemed a balance for possible losses in the South.

The first and second articles reprinted here are from the *Review* for September, 1847; the third is from the *Review* for July, 1860.

Articles from DE BOW'S REVIEW

1. The Chicago and Memphis Conventions

The call which was made upon the Southern and Western States in the autumn of 1845, was responded to with great unanimity in the assemblage of the Memphis Convention. We attended that Convention as a delegate and in the capacity of one of its Secretaries. . . .

The Chicago Convention was the natural and inevitable consequence of the Memphis, and we so predicted long ago. The doctrines and principles of the latter, while they harmonized with the views of many portions of the Union, did not command the sentiments of a majority of the West or of the Union. Discussed and doubted in some sections as extending too wide the domain of action, they were condemned in others as altogether restrictive and suicidal to the interests of the West.

The Memphis Convention sought to conciliate all parties, and agree on some practical plan of action—a *compromise*, if necessary—which could meet the general approval and hearty co-operation of all sections, as the very best which, under the circumstances, could be secured; the Chicago Convention, on the contrary, denounces this as impracticable and injurious, and in no respect adequate to meet the requisition and necessities of the North-west and the Lakes. It comes out boldly, cuts the Gordian knot, and declares openly *for a system of internal improvement upon western lakes and rivers, co-extensive with all the requirements of their rapidly increasing commerce*. . . .

The Chicago Convention is said to have originated in a casual meeting of Western men at Rathburn's Hotel, in New York. The Convention assembled on the fifth of July, and embraced, it is estimated, several thousand delegates. We believe no exact return of them has yet been furnished, and are rather disposed to question the number—though in such a wonderful region as the North-west, nothing is impossible. The delegates were from Maine, Massachusetts, New York, Indiana, Rhode Island, Connecticut, New Jersey, Pennsylvania, Ohio, Illinois, Michigan, Iowa, Wisconsin, Missouri, Kentucky, Georgia, and Florida. The temporary Chairman was Jos. L. Barton, of Buffalo.

A number of letters were read. Mr. Webster heartily concurred with the Convention; Silas Wright, of New York, adopts the harbor feature, but hesitates upon the rivers—some are clearly within the Constitution, others not—no general rule can be devised; Mr. Benton *first* proposed a canal from the Mississippi to the lakes by government, and was the "*first* to propose to include the upper Mississippi and Missouri within the circle of internal improvement by the government" —no arbitrary rule can be made for improvement (a dash at Mr. Calhoun); Mr. Van Buren is, of course, ambiguous; circumstances will put it out of Mr. Cass's power to be present; Mr. Clay is heartily with the Convention.

An executive committee, consisting of two from each State was appointed to collect all necessary statistics, and to memorialize Congress upon the subject of the resolutions. The Hon. Abbot Lawrence is the chairman.

The following propositions, prepared by the Hon. John C. Spencer, of New York, were adopted by the Convention:

"1. That the Constitution of the United States was framed by practical men, for practical purposes, declared in the preamble—'to provide for the common defense, to promote the general welfare, and to secure the blessings of liberty;' and was mainly designed to create a government, whose functions should be adequate to the protection of the common interests of all the States, or of two or more of them, which could not be maintained by the action of the separate States. That in strict accordance with this object, the revenues derived from commerce were surrendered to the General Government, with the express understanding that they should be applied to the promotion of those common interests.

"2. That among these common interests and objects, were 1st, Foreign commerce, to the regulation of which, the powers of the States, severally, were confessedly inadequate; and 2d, internal trade and navigation, wherever the concurrence of two or more States was necessary to its prosecution, or where the expense of its maintenance should be equitably borne by two or more States, and where, of course, those States must necessarily have a voice in its regulation; and hence resulted the constitutional grant of power to Congress, 'to regulate commerce with foreign nations, and among the States.'

"3. That being thus possessed both of the means and of the power, which were denied to the States respectively, Congress became obligated by every consideration of good faith and common justice, to cherish and increase both the kinds of commerce thus committed to its care, by expanding and extending the means of conducting them, and

of affording them all those facilities, and that protection which the States individually would have afforded, had the revenues and authority been left to them.

"4. That this obligation has ever been recognized from the foundation of the government, and has been fulfilled partially, by erecting lighthouses, building piers for harbors, break-waters and sea walls, removing obstructions in rivers, and providing other facilities for the commerce carried on from the ports on the Atlantic coast; and the same obligations have been fulfilled to a much less extent, in providing similar facilities for 'commerce among the States;' and that the principle has been most emphatically acknowledged to embrace the western lakes and rivers, by appropriations for numerous lighthouses upon them, which appropriations have never been questioned in Congress, as wanting in constitutional authority.

"5. That thus, by a series of acts which have received the sanction of the people of the United States, and of every department of the Federal Government, under all administrations, the common understanding of the intent and objects of the framers of the Constitution, in granting to Congress the power to regulate commerce, has been confirmed by the people, and this understanding has become as much a part of that instrument, as any one of its most explicit provisions.

"6. That the power 'to regulate commerce with foreign nations, and among the States, and with the Indian tribes,' is, on its face, so palpably applicable in its whole extent, to each of the subjects enumerated equally, and in the same manner, as to render any attempt to make it more explicit, idle and futile; and that those who admit the rightful application of the power to foreign commerce by facilitating and protecting its operations, by improving harbors, and clearing out navigable rivers, cannot consistently deny that it authorizes similar facilities to 'commerce among the States.'

"7. That 'foreign commerce' itself is dependent upon internal trade, for the distribution of its freights, and for the means of paying for them; so that whatever improves the one, advances the other; and they are so inseparable, that they should be regarded as one. That an export from the American shore to a British port in Canada, is as much foreign commerce as if it had been carried directly to Liverpool; and that an exportation to Liverpool neither gains nor loses any of the characteristics of foreign commerce, by the directness or circuity of the route, whether it passes through a custom-house on the British side of the St. Lawrence, or descend through that river and its connecting canals to the ocean, or whether it passes along the artificial communications and natural streams of any of the States to the Atlantic.

"8. That the General Government, by extending its jurisdiction over the lakes and navigable rivers, subjecting them to the same laws which prevail on the ocean, and on its bays and ports, not only for the purpose of revenue, but to give security to life and property, by the regulation of steamboats, has precluded itself from denying that jurisdiction for any other legitimate regulation of commerce. If it has power to control and restrain, it must have power to protect, assist, and facilitate; and if it denies the jurisdiction in the one mode of action, it must renounce it in the other.

"9. That in consequence of the peculiar dangers of the navigation of the lakes, arising from the want of harbors for shelter, and of the Western rivers, from snags and other obstructions, there are no parts of the United States more emphatically demanding the prompt and continued care of the government, to diminish those dangers, and to protect the property and life exposed to them; and that any one who can regard provisions for those purposes as sectional, local, and not national, must be wanting in information as to the extent of the commerce carried on upon those lakes and rivers, and of the amount of teeming population occupied or interested in that navigation.

"10. That having regard to relative population, and to the extent of commerce, the appropriations heretofore made for the interior rivers and lakes, and the streams connecting them with the ocean, have not been in a just and fair proportion to those made for the benefit of the ports, harbors, and navigable rivers of the Atlantic ports; and that the time has arrived, when this injustice should be corrected in the only mode in which it can be done, by the united, determined, and persevering efforts of those whose rights have been overlooked.

"11. That independent of this right to protection of 'commerce among the States,' the right of 'common defense' guarantied by the Constitution, entitles those citizens inhabiting the country bordering upon the interior lakes and rivers, to such safe and convenient harbors as may afford shelter to a navy, whenever it shall be rendered necessary by hostilities with our neighbors; and that the construction of such harbors cannot safely be delayed to the time which will demand their immediate use.

"12. That the argument most commonly urged against appropriations to protect 'commerce among the States,' and to defend the inhabitants of the frontiers, that they invite sectional com-

binations to insure success to many unworthy objects, is founded on a practical distrust of the republican principles of our government, and of the capacity of the people to select competent and honest representatives. That it may be urged with equal force against legislation upon any other subject involving various and extensive interests. That a just appreciation of the rights and interests of all our fellow-citizens, in every quarter of the Union, disclaiming selfish and local purposes, will lead intelligent representatives to such a distribution of the means in the treasury, upon a system of moderation and ultimate equality, as will in time meet the most urgent wants of all, and prevent those jealousies and suspicions which threaten the most serious dangers to our confederacy.

"13. That we are utterly incapable of perceiving the difference between a harbor for shelter and a harbor for commerce, and suppose that a mole or pier which will afford safe anchorage and protection to a vessel against a storm, must necessarily improve such harbor, and adapt it to commercial purpose.

"14. That the revenues derived from imports on foreign goods belong to all the people; and the public lands being the common heritage of all our citizens, so long as all these resources continue, the imposition of any special burden on any portion of the people, to obtain the means of accomplishing objects equally within the duty and the competency of the General Government, would be unjust and oppressive.

"15. That we disavow all and every attempt to connect the cause of internal trade and of 'commerce among the States' with the fortunes of any political party, but that we seek to place that cause upon such immutable principles of truth, justice, and constitutional duty as shall command the respect of all parties, and the deference of all candidates for public favor."

2. Southern Patronage to Southern Imports

. . . The political sentiment of the South is decidedly and universally against the North, but the more powerful pecuniary and commercial sentiment has shown itself to be with the North and opposed to the South, and if continued will lead to our ruin, both economically and politically. It is so thoroughly interwoven in the body politic, that it may be seen in the every-day acts of our people, from the lowest grade of society to the highest. If additional evidence is necessary, to prove the positions above assumed, what better proof do we want than the fact that an humble, unpretending country or village merchant, who has not the means of going beyond Charleston to lay in his stock of merchandise, should consider it necessary to obliterate every mark on a box which would betray the fact that his stock of goods was purchased in Charleston, and not in New-York. It has, for years past, been a common thing for country merchants to request that their packages should be so marked as to leave no clue to their having been bought in Charleston. Does not every one know that a widespread public sentiment has long existed all over the South, which has caused a preference to be given to articles purchased at the North? It was quite a plume in the cap of a trader, to be able to say he was just from New-York, and had purchased his supplies there. So highly has that advantage been esteemed, by all classes of men, that the idea of enabling a merchant to go to New-York, to lay in his stock, would enlist the kindly friendship of rich endorsers, and if anything could induce a board of bank directors to make an extraordinary effort to *accommodate*, it would most surely be in the *good cause* of enabling a neighboring merchant to transfer his custom from Charleston to New-York. That such a course is wrong all must see and admit; yet matters have been suffered to run so long in that direction, that a commercial and political power has been created at the North, which now threatens to annihilate us.

Why should a Southern country or village merchant go to New-York to purchase his supplies? Almost every country merchant who visits Charleston has a through ticket to New-York in his pocket. Some buy a few boxes of goods in Charleston; others will be drifted on North by meeting with the slightest impediments in the way of trade in Charleston. And many, from a desire to mix in the great whirlpool of fashion, sight-seeing, &c., pay their $30 passage money to and from New-York, and cannot resist the temptation of doing something more than is embraced in the stale idea of buying a stock of goods in South Carolina. While others, under the delusion that they can buy cheaper in New-York, go there year after year to get cheated every time and never find it out.

To those acquainted with the nature and complicated operations of commerce, it is plain enough to be seen that Charleston can undersell New-York, even if the goods be first landed there, and pay a duty to the New-York custom-house. Goods are either imported by large dealers, or sent out by foreigners to agents, to sell by the case or large quantity. These importing houses, or agents, are bound to the jobbing trade not to break packages, or sell in such small quantities as to interfere with their customers. Any importer, or

foreign agent, who violates this rule, must expect to lose the custom of the jobbing trade, not only of New-York, but of Charleston, Chicago, Cincinnati, St. Louis, Louisville, Nashville, and other jobbing cities and towns scattered over our vast country. Now, we wish our readers to understand the groundwork: That imported goods first come into hands that are bound by the strongest ties to the wholesale dealer, more commonly termed jobbing merchant, who purchases by the package and retails out to merchants, a class of smaller dealers, located in towns, villages, and country places; this class of men sell immediately to the customer. The jobber, in turn, is bound to this latter class of merchants not to interfere with their customers, by selling small quantities.

We will now try to illustrate the subject by following a Southern merchant to New-York, where he may desire to purchase an assorted stock of goods amounting from ten to thirty or fifty thousand dollars; even the last named sum will not procure him admission into an importing or agent's stock. If he insists on buying from such houses, the price will be fixed at much higher rates than the jobbing merchant pays, and the custom of not breaking packages will almost invariably rule him out; and he is, of necessity, thrown into the hands of the jobbing merchants of New-York, the keenest and most adroit dealers known in the world—men who live by their wits, and who cannot sustain themselves except by exorbitant profits. Just for a moment look at things as they really are. A jobbing merchant in New-York, paying from fifteen to thirty thousand dollars a-year for store rent; clerk hire, from one to six thousand dollars a-year; having two or three partners in the concern, each living in palaces at the most princely expenditure—compare this picture with the same class of merchants in Charleston, where the most commodious and best-located stores rent from fifteen hundred to two thousand dollars, and where clerks are now begging for situations; willing to pay their own board, work, and receive no pay for the first year or two, while the most expert receive for their services but from five hundred to two thousand dollars a-year. Can you not see that the Charleston jobber is able to sell cheaper than the New Yorker?

Merchants of the city, town, village and country! consider and say whether you have not been treading unprofitable paths, which, if persevered in, will ultimately lead your country to ruin. Your notions of mercantile thrift are warped by errors as glaring as those by which abolition fanaticism is urged on at the North. The Charleston wholesale merchants, as a class, have as good credit as any in the world. They purchase largely, and procure their stocks at the lowest rates.

The trade of New-York is of a different class altogether; one half and probably three-fourths of them live from hand to mouth, under exorbitant and extraordinary expenses; they buy to-day and sell to-morrow, are in many instances reckless of character, and pay higher prices for their goods than good reliable merchants do. If they cheat a man this year who lives fifteen hundred miles off, and lose his custom, what do they care? —the next year brings two in his place. So great are the profits made by merchants in New-York, that every six or eight years of fair sailing and undisturbed commercial prosperity, transforms a large number of those men of straw-jobbing merchants—into millionaires. But when a monetary crisis overtakes them, they are swept off into bankruptcy by hundreds.

New-York is the last place to which an inexperienced, impractical merchant should venture to purchase a stock of goods, and there is no reason whatever why Charleston, New-Orleans, Mobile, Savannah, and Augusta, should not become points of distribution, and be relied on entirely for supplies. Charleston can become so without waiting to establish lines of steamers to Europe. If she can obtain her fair proportion of the jobbing and distributing trade, she will soon number 200,000 in population, and the lines of steamers will follow, and so will the ability to build railroad outlets.

The mere importing business cannot make a city. If New-York were to lose the jobbing trade, which rightfully belongs to Southern cities, she would immediately retrograde in population, or remain for a long time stationary. If her commerce was confined to importing houses and foreign agencies, that city would settle down to be the Liverpool of the United States, instead of the "London of America."

In order to render Charleston a great centre of distribution, and a fortress of political power, all that is requisite is the assurance of receiving in future all the trade that naturally belongs to her, with the hearty co-operation and patronage of Southern merchants; with this she would be prepared to make a doubled or quadrupled trade.

The present merchants would most willingly enlarge their trade fourfold, and the prospect of increased business would induce others to embark, and the money power would follow in the train. That portion of the money capital that belongs South, and which has centred in New-York to buy up Southern merchants' paper with, would, as a matter of course, be transferred to Charleston,

and an extended jobbing trade would bring with it large direct imports, of the heavier articles not sent to agents in this country, such as iron, salt, coffee, and many European articles made only to supply orders.

We are rejoiced to see the work of reformation already commenced, and we trust that such assurances of permanent increase of patronage to Charleston merchants will be given, that their usual fall stock may be doubled. And although it is said that some of the hotel keepers feed their guests on turkeys and chickens fattened in abolition Ohio, and brought to Charleston by the way of New-York, the change in the mercantile currents, which are so devoutly desired, will, no doubt, bring us back to poultry of our own raising, with which our back country abounds.

But how is this change to be effected? It can be done only through the people—the great body of consumers. They should meet in primary assemblies, and put the mark of reprobation and proscription on every merchant who will not obey the call to abstain from a traffic that is leading to our impoverishment and political ruin. Each individual who buys a coat, a silk dress, a piece of muslin, or any article from a home dealer—and gives his orders to a Southern mechanic and nurseryman, instead of sending it to the North—lends his or her aid in cutting off some of the springs. And the whole South, collectively acting together, will dry up many considerable branches, if not the great stream which carries away millions of our treasure, and is fast drifting us commercially and politically into the vortex of Northern power. To be politically independent of the free States, we must render ourselves commercially so, for commerce holds the sceptre that rules the world. The despots who have for ages swayed their power over nations of Europe, have been compelled to give way to it, and all nations bow to the unbounded power of commerce—which has whitened every sea with its sails, and driven by the wings of steam power, is now traversing every country known to civilized man. Her power will subdue and overrun the Chinese empire, and will ultimately civilize and Christianize benighted Africa, as well as every other inhabited portion of the globe. One of the greatest despotisms on earth has been forced into a strife for pre-eminence in manufactures and commerce.

The wise men who have the power of control in Russia, have very considerately come to the conclusion, that, by agriculture alone, their country cannot keep pace with the growing power of manufacturing and commercial nations; hence the immense efforts of that nation to introduce manufactures, railroads, and all the appliances necessary to an extended commerce with the world.

In all civilized nations, the political power has yielded to the sceptre of commerce; and no nation in modern times has become commercial without the aid of manufactures; and so surely as we follow up the system which is advocated by many, as the true policy of the South, of remaining an exclusively agricultural people, neglecting all other industrial occupations, and buying from others the commonest necessaries of life, and wearing out and exhausting our soil as fast as we can, so surely will we become vassals to some power. If we release ourselves from one, we must immediately fall into the hands of another.

To be independent we must be our own merchants. Let us, then, set about a reformation that shall disenthral us from the tyranny of the North. Let us resolve to patronize no merchant who will refuse his aid toward building up a distributing city at the South. Let us encourage the extension of manufactures, and by all means encourage and give our patronage to every article the product of Southern domestic industry.

3. Direct Trade of Southern States with Europe

The committee of ten, to which has been referred the resolution of the Convention, directing them to ascertain and report whether goods have not been imported and sold at the southern sea-ports, upon as good terms, and at as fair rates, as they can be procured at the northern—and whether the country merchants cannot *now* procure at the southern sea-ports as full a supply and as good assortments, upon as fair terms, and as favorable periods of payment, as they can be procured elsewhere—and whether there exist any and what advantages in making purchases from the direct importers at the South, respectfully submit the following report:

The inquiries to be made, in the foregoing resolution, are deeply interesting to all the friends of southern direct trade. If facts will justify affirmative answers to them, the success of the enterprise, if persevered in, is unquestionable, unless defeated by the untoward action of the General Government, or a dispensation of Providence against which human prudence affords no safeguard. The facts necessary to entirely correct conclusions on these inquiries, are many, and exceedingly complicated, requiring for their collections, consideration and arrangement, more time and opportunities than the present occasion affords; and your Committee being composed of merchants, dealers, and planters, from the interior of

the States and territory represented in this Convention, labor under many difficulties, in the investigation in the result of which, the Committee, in common with all they represent, have a deep interest, being nothing less than the discovery of those markets where they can sell their staples for the highest, and buy the goods they consume at the lowest prices. Such time and opportunities as they possessed have been employed to the best of their ability, and they submit the result to the consideration of the Convention.

The Southern States have at all times been the producers of staples of great richness and value in the commerce of the world, which from their earliest settlement as colonies, gave them a direct trade with foreign nations, of an extent and importance greatly beyond their proportionate population. The growth and increase of this trade kept more than even pace with the increase of population, and enriched them with a prosperity before unparalleled. Since the Revolution, and during the period of free trade, it grew and expanded to an immense extent, as has been developed in the report of the Committee of twenty-one already submitted to the Convention. The settlement of new States south-west and west, of similar pursuits, institutions and staples, have swelled the products of their industry, until they are more than three-fourths of the domestic exports, and constitute to that extent the basis of all the foreign commerce of the United States.

The fiscal action of the General Government in the collections and disbursements of its revenue, has always been unfavorable to Southern commerce, and when the additional burdens of the protective system was thrown upon the industry and trade of the planting States, the disastrous effects were apparent in the deserted cities and ruined prospects which blighted the prosperity and broke the spirits of her people. The direct trade which was her own by every law of commerce and nature, and which should have grown and increased every year, grew less and less until it almost disappeared, being by this unpropitious policy transferred to the Northern ports and people. Discouraged by these burdens, our capital sought more propitious locations for its employment, or engaged in other business—our merchants and capitalists removing to the Northern ports with their funds, or withdrawing from commerce and investing in other employments, while others, discouraged by their example, were not found to supply their places and attempt the business they had been forced to abandon. The importing merchants of the South became an almost extinct race; and her direct trade, once so great, flourishing and rich, dwindled down to insignificance.

It would seem to be undeniable that if the same state of things by which these disastrous blows were dealt with such fatal effect upon our direct trade, continues to exist, the South cannot recover what it lost under their operation. It becomes therefore an important point to be determined whether any and what changes or modifications of these circumstances have taken place, which will enable the South again to enter into a struggle for her own direct trade with foreign nations, with any reasonable hope or fair prospect of success.

That such changes have for several years been in progress is most certain, slowly and gradually, but certainly and beneficially. The compromise act has already produced great amelioration, and every biennial reduction is an impulse to enterprise and trade, which has already caused much capital to return, and again filled the old channel with something like its ancient currents of business. The legislatures of the Planting States have, with prudent forecast, availed themselves of the opportunity, and by wise legislation done much to encourage enterprise, and aid individual efforts in the patriotic effort; and it is hoped will yet do much more for this great and vital measure, by lightening the remaining burthens which oppress commercial capital in the heavy taxation on its employment. Lightened of much of that oppressive taxation imposed by the national legislation, and animated by the prospect of still farther reductions, and a well-founded confidence in the fostering care of the State legislatures, the race of importing merchants has revived, and, as individual and partnership firms, re-appeared in our cities, and have embarked large capitals with great spirit in the business. It gives the Committee great pleasure to add, that they have every reason to believe, that their operations have been conducted with the energy and prudence which deserves and has been crowned with a success as advantageous to them as it is beneficial to the country.

If we consider the general principles which naturally regulate trade, we see no reason why foreign goods used in Southern consumption, could not be bought by our own merchants at the place of their production, and brought direct to our markets as cheaply as they can be taken to the Northern markets by their merchants. A careful comparison of all the elements of cost, could they be clearly ascertained, might enable the committee to arrive at exact conclusions, but it is impossible for the committee in the time permitted for the inquiry, to attain such certainty in the multitude

of circumstances which must be considered—and even were it possible in any given state of things, and at any fixed day, the constant changes of circumstances, the fluctuations of markets, and the thousand occurrences every hour arising to disturb the regularity of trade, the exchanges and the money market, would perhaps, the very next day, vary that statement and present another condition of things—and so also, if all the foreign goods brought into the country for its consumption, were imported by regular importing merchants, more certainty might be attainable. It happens however, so far from this being the case, that immense amounts of foreign goods are often poured into the United States, upon the great points of importation, under circumstances of commercial pressure and distress, producing great disturbance, and fluctuation of prices. At such periods, the manufacturers, if pressed for money, instead of at once reducing the price of goods at their warehouse (which is considered the last thing to be done), generally prefer to make sacrifices of their surplus stocks at distant points—they sometimes ship to foreign ports and sell by their own agents, on their own account, in which case they can lessen the duties by making out their invoices at lower rates, and also escape the addition which is put on the merchant by our revenue laws for the expenses on the invoice, being about five per cent.; they sometimes make loans from mercantile houses having branches in other countries, and deposit their surplus goods as security, upon the agreement that they are to be sold for whatever they will bring, to refund the advance, if they are not paid when due. Great quantities of these goods and also of failing merchants are thrown upon the Northern markets, especially New-York, and sold at auction for whatever they will bring—great sacrifices are inevitable, and at such times, purchases may be made at prices which would prove ruinous to the regular importing merchant, whether northern or southern. Such instances should be considered as departures from regular trade, and as exceptions to its general, regular and steady course; although they occasionally not merely influence, but control business and prices, such transactions are not fair examples for regular business—and whether they are beneficial in the long run to the trade and prosperity of a place may well be doubted, as the tendency is to disturb commerce and destroy the regular importing merchant. . . .

It is manifest that the merchant who buys his goods cheapest, and has fewest burthens and expenses upon his business, ought to be able to sell his goods at the lowest prices. It is fair to presume, that what can be done, has been and will be done by our merchants, in fair competition, for the regular trade with their northern brothers. Let us see what are the elements which enter into the solution of the problem—which enjoys the greatest advantages in this honorable rivalry.

In carrying out this comparison, it will be most satisfactory to select places which may be considered fair exponents of the two sections of the Union, and the committee therefore select New-York for the North, and Charleston for the South. In selecting Charleston, the committee are influenced by the fact that being there now, they are enabled to procure more information, authentic and at first hand, as to it, than of any other southern importing city; but it is believed that the same general principles and facts, applicable to its trade, may, with such modifications as will readily suggest themselves in each case, be applied to the other southern importing cities respectively.

In the South, the ports are good and safe, and open all the year to ships. In the North many and considerable obstructions exist during a part of it, from cold and ice. The same may be said of their internal communications, the rivers and canals of the North being frozen, and the railroads obstructed by snows and often for considerable periods of time. In the summer, the southern ports are not so healthy, and their intercourse with the interior markets is less in amount and activity. The establishment of railroads, permitting the most rapid travel and perfect safety through the unhealthy districts adjacent, has greatly diminished the impediments of summer trade, especially with Charleston, and will, very soon, with other southern cities, to which similar improvements are extending. New-York enjoys great advantages from the perfect system of communication with foreign parts and her customers at home, her immense capital and custom, her commercial connections with Europe, and most especially in the greater facilities her banks give her merchants for credits in Europe, and by discounts at home for long periods and on their customers' notes. Were the only question, which city can sell its merchandise cheapest *in its own stores*, the answer would probably be that New-York can generally sell as low or lower than Charleston. But the true question for the southern country merchant is, can he lay down his goods at his home cheaper from New-York than from Charleston, or any other southern port? If he buys lower in New-York, and the expenses of getting them home make them cost more than he could get them at from the southern port, his own interest, as well

as patriotism, will influence him to deal at his own ports. In coming to a correct understanding of the cost of the goods at the two markets, we must look into the circumstances which create cost and go to fix the prices of merchandise—all the expenses attending traffic must be charged in the profits and taken out of them, and consequently enhance the cost of its merchandise. These expenses, in some important respects, are believed to be greater in New-York than Charleston—and the following views are illustrative of this opinion. The foreign goods imported into this country are paid for chiefly by southern produce or bills of exchange, drawn on it. To buy this, the northern merchant must employ his factor or commission agent, and pay from 1 to 2 per cent. commissions; —the southern importer is on the spot where the produce is, and buys, in person, this produce or bills, saving that commission. In general, exchanges on Europe are lowered by 1 to 2 per cent. at the South—at present it is not so, but the general experience has been that way; and the present difference in favor of the North may be ascribed, in a considerable extent, to the great amount of American loans negotiated through New-York, creating a larger fund to draw on, a state of things temporary in character. House rents and store rents are believed to be twice or three times as high in New-York as they are in Charleston;—clerks' wages are higher; and the expenses of families and living considerably greater. Another charge, which, it is believed, goes considerably to enhance the price of goods, grows out of the manner in which the mercantile business is done in New-York. The importer there, as a general rule, does not deal directly with the country merchant. He imports in bales and packages, which he does not break, but sells in bales and packages, quantities too large for country merchants. The business is divided also into almost as many distinct classes of importers, as there are distinct classes of goods. Assortments in quantities to suit the dealer or country merchant, can only be had from another class of merchants, called jobbers. The jobbers, as they want for immediate retail, buy from the importers by the bale or package, and breaking them, sell to country dealers in quantities to suit their assortments. They are the regular customers of the importers, and if the importers sell to the country merchants, it is usually for cash, or on such rates and terms as will not interfere with the jobbers, who are their chief dependence, and necessary to their business. These transactions, although they assume many variations in the forms of business, may be illustrated as follows: The jobber buys of the importer and gives his bankable note payable at six or eight months, which can be converted at the banks to meet the importer's engagements—the jobber takes the country merchant's note, payable usually a short time before his note to the importer is due. The importer's profits are seldom as low as 10 per cent. often as high as 25, and may safely be averaged at 17½—the profits of the jobber are estimated at the same, or perhaps a greater per cent., because he has to include the loss which he must submit to, in converting the paper of the country merchant into available funds, amounting to about 4 per cent. on southern notes, which occurs this way—if the note is offered for discount at a New-York bank, that sum is taken off the face of the note for discount risk, expense of collection and exchange; or if the southern merchant gives his note payable in New-York, the exchange, risk of remittance and agency will cost as much and should be added to the costs of his goods. In Charleston, from 1 to 2 per cent. only is taken off, according to the distance the makers live from the city. In Charleston the country merchant deals directly with the importer, who combines in his business all that is done in New York by both importer and jobber; his profits may be said to average from 20 to 33 per cent.. greater than either of them singly, but probably not greater, if as great, as both combined. They have two establishments, and probably each his family to support, he only one. But admitting that generally goods may be purchased lower, notwithstanding, in New York, yet there are other items of calculation to be taken into the account. The country merchant is supposed to make his own selections in person—it will cost him considerably more, and take longer time both for him to go and return, and for his goods to be brought from New-York—the interest which occurs on his money while idle—the risks, insurance and cost of shipping to and landing at Charleston, and commissions on forwarding to him when landed at the several points of stoppage on the way to his home, are no inconsiderable elements of price to enhance the cost of the goods . . .

For the want of packets and shipping, much of the import trade of Charleston is made by her own merchants through New-York; the goods are bought by them in Europe, shipped in New-York packets to New-York—unloaded there, and reshipped to Charleston; in all such cases, there are increased expenses of commissions, insurance and freight on the voyage, and delay which is still more injurious; the goods therefore cost the importer more than similar goods coming direct to Charleston, but still are cheaper than he could buy them in New-York. Another and important con-

sideration is the credit which can be had in the two places. It has been already shown, that, as a general rule, the credits given to the country merchant in New-York will average from six to eight months. In Charleston, during the past season, the credits given by the wholesale merchants have gone from six to twelve months, averaging perhaps nine or ten months. The medium of payments is not less important—payments in New-York are by bank notes at a discount, or exchange at a premium. In Charleston the committee are informed, that the bank notes of most of the Southern States are taken at par, constituting a saving of from 1 to 3 per cent.

After weighing all statements and arguments submitted to the committee, they have come decidedly to the opinion that foreign goods may be imported into, and sold at the Southern ports as cheaply and upon as good terms, as at the North; and perhaps it is not going too far to say, upon better—an extensive inquiry among them enables the committee to say, that such is the opinion generally entertained by the best-informed merchants. . . .

CONDITION OF THE WORKING CLASS

By the fifties, the Utopians had lost their following among the workers, and labor's own trade union organizations—badly organized and poorly led—had failed. The sudden influx of large numbers of European immigrants, who swelled the labor reserve, and the rise in prices —due to returning business prosperity and California gold—only worsened the condition of labor. It reached its low point in American annals and the decade, as Norman J. Ware properly declares, saw the "degradation of the worker."

In 1847, a labor paper *The Voice of Industry* stated: ". . . the laboring man's prospect ahead just now is most drear and disheartening. Provisions, such as flour, meat, potatoes, butter, meal are nearly 100 per cent higher than ordinary prices, fuel is extraordinarily high and rents have advanced. . . . The mechanic or laborer who has a family to support finds that to-day's wages only pay to-day's expenses; he can lay up nothing for the winter season when his expenses are greatly increased, and in the laborers' case, work and wages are always diminished."

The columns of Horace Greeley's New York *Daily Tribune* substantiated this assertion. Always sympathetic to the cause of labor —although all he himself could offer was homesteadism and protectionism—Greeley followed the course of prices carefully. He demonstrated that by 1851–52 wholesale prices were back again where they had been in 1840; and from then on they mounted sharply. These findings were confirmed in the later Aldrich Report of the nineties (U.S. Senate Document, 52d Congress, 2d Session, Vol. I, No. 1294) which showed an increase of 19.3 in the wholesale price index over twenty years, as follows:

1840–1844	91.0
1845–1849	90.1
1850–1854	99.1
1855–1859	110.3

Retail prices moved up even more, as Greeley demonstrated with this analysis of prices in his issue of Feb. 21, 1854:

	1848	*1854*
Wheat Flour	$6.25	$8.81
Rye Flour	3.62	6.12
Corn Meal	2.37	4.50
Candles, mold	.12	.15
Coal (anthracite)	5.75	7.00
Coffee, Brazil	.7⅛	.11
Fish, Dry Cod	3.68	3.37
Mackerel No. 1	8.81	15.50
Molasses N.O.	.26	.29
Pork Mess	10.18	15.75
Beef Mess	8.25	11.50
Lard	.6¾	.10
Sugar	.4½	.5
Cheese	.8	.11
Rice	3.35	4.75
Sugar	.4½	.5

And what of wages? While money wages gradually improved, real wages actually declined during the fifties. Writing in the second decade of the twentieth century and using the admittedly incomplete date of the Aldrich Report, W. I. King in his *Wealth and Income of the United States* (New York, 1915), demonstrated the decline in real hourly wages with these index figures. (Base 1890–1899.)

Year	*Index of Money Wages*	*Index of Commodity Prices*	*Index of Wages or Purchasing Power*
1850	47.1	100.6	46.8
1851	47.6	111.2	42.8
1852	48.8	110.4	44.2
1853	49.1	118.4	41.5
1854	51.4	118.4	43.4
1855	52.3	123.1	42.5
1856	53.1	126.6	41.9
1857	54.2	128.5	42.2
1858	53.0	127.6	41.6
1859	53.5	116.0	46.1
1860	54.3	112.7	48.1

Money wages were very low. Cotton-mill operatives were getting $2 and $3 weekly; shoemakers, printers, hatters and cabinet-makers were getting $4, $5, and $6 weekly; the "aristocrats of labor," the building-trades workers—carpenters, plasterers and bricklayers—were getting $10. How inadequate these wages were Greeley demonstrated when, in his issue of May 27, 1851, he published a week's budget for a family of five:

Barrel of flour, $5.00, will last eight weeks	$0.62½
Sugar, 4 lbs. at 8 cents a pound	.32
Butter, 2 lbs. at 31½ cents a pound	.62½ [sic]
Milk, two cents per day	.14
Butcher's meat, 2 lbs. beef per day at 10¢ per lb.	$1.40
Potatoes, ½ bushel	.50
Coffee and tea	.25
Candle light	.14
Fuel, 3 tons of coal per annum, $15.00; charcoal, chips, matches, etc., $5.00 per annum	.40
Salt, pepper, vinegar, starch, soap, soda, yeast, cheese, eggs	.40
Furniture and utensils, wear and tear	.25
Rent	3.00
Bed clothes	.20
Clothing	2.00
Newspapers	.12
Total	$10.37

"I ask," said Greeley, "have I made the working-man's comforts too high? Where is the money to pay for amusements, for ice-creams, his puddings, his trips on Sunday up or down the river in order to get some fresh air, to pay the doctor or apothecary, to pay for pew rent in the church, to purchase books, musical instruments?"

The workers began to organize on a crafts' basis and these unions were more permanent. More important, with the introduction of mechanization on a wide scale during the sixties and after, productivity vastly increased and not only money wages but also real wages went up strikingly.

In the 1850s, however, few programs of a practical nature were placed before the workers. Nothing demonstrates this better than the benevolent advice offered by the New York Association for Improving the Condition of the Poor, one of the early charity organization societies. The A.I.C.P. had been founded in the early forties to prevent pauperization by indiscriminate alms-giving. Its volunteer "visitors" did not limit their activities to making certain that only legitimate objects of charity were relieved, however; they also attempted to restore their "cases" to self-respect by teaching them proper methods of self-support.

For such work, the tract, *The Economist*, and *The Way to Wealth* (first published in 1847), proved effective—or so the "visitors" believed—in changing for the better the domestic habits of many "idle, filthy, improvident" families. *The Economist* was frequently reprinted and, along with *The Way to Wealth*, "a Poor Richard" properly equipped with Scriptural references, represents one of the A.I.C.P.'s earliest efforts at coming to grips with the problems of the "poor."

The Way to Wealth

BY THE ASSOCIATION FOR IMPROVING THE CONDITION OF THE POOR

[*Introduction.* THE "Association for Improving the Condition of the Poor," wishing to extend the usefulness of this admirable little treatise, have published it in the present form. It is especially adapted by its clearness, concise expression and happy illustrations, to accomplish the objects for which it was written. Regarding it, however, as wanting in religious sentiment and feeling, they have endeavored to supply that defect, by inserting a few appropriate texts.]

I HAVE HEARD that nothing gives an author so great pleasure, as to find his works respectfully quoted by others. Judge, then, how much I must have been gratified by an incident I am going to relate to you. I stopped my horse, lately, where a great number of people were collected at an auction of merchants' goods. The hour of the sale not being come, they were conversing on the badness of the times; and one of the company called to a plain, clean old man, with white locks, "Pray, Father Abraham, what think you of the times? Will they not quite ruin the country? How shall we be ever able to bear them? What would you advise us to?" Father Abraham stood up, and replied, "If you would have my advice, I will give it you in short; for 'a word to the wise is enough,' as poor Richard says." They joined in desiring him to speak his mind, and gathering round him, he proceeded as follows:

"Friends," says he, "it may be the times are bad, but let us see whether the fault is not our own. Our expenses are doubled by idleness, and trebled by pride and folly; and these can only be abated by our own exertions. If we hearken to good advice, we may gain something. 'God helps them that help themselves,' as poor Richard says.

"I. It would be thought a hard government that should tax its people one tenth part of their time to be employed in its service but idleness taxes many of us much more; sloth, by bringing on diseases, absolutely shortens life.

" 'Sloth, like rust, consumes faster than labor wears,[1] while the used key is always bright,' as poor Richard says. 'But, dost thou love life? then do not squander time, for that is the stuff life is made of,'[2] as poor Richard says. How much more than is necessary do we spend in sleep![3] forgetting that 'the sleeping fox catches no poultry, and that there will be sleeping enough in the grave,'[4] as poor Richard says.

" 'If time be of all things the most precious, wasting time must be,' as poor Richard says, 'the greatest prodigality;' since, as he elsewhere tells us, 'lost time is never found again; and what we call time enough, always proves little enough.' Let us, then, up, and be doing, and doing to the purpose: so by diligence shall we do more with less perplexity.[5] 'Sloth makes all things difficult, but industry all easy;[6] and he that riseth late, must trot all day, and shall scarce overtake his business at night; while laziness travels so slowly, that poverty soon overtakes him. Drive thy business, let not that drive thee;[7] and early to bed and early to rise, makes a man healthy, wealthy, and wise,' as poor Richard says.

"So what signify wishing and hoping for better times? We may make these times better, if we bestir ourselves. 'Industry need not wish: and he that lives upon hope will die fasting. There are no gains without pains; then help hands, for I have no lands;' or, if I have, they are smartly taxed. 'He that hath a trade hath an estate; and he that hath a calling, hath an office of profit and honor,' as poor Richard says; but then, the trade must be worked at, and the calling well followed, or neither the estate nor the office will enable us to pay our taxes. If we are industrious, we shall never starve, for 'at the working man's house hunger looks in, but dares not enter.' Nor will the bailiff or constable enter; for 'industry pays debts, while

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loveth many days? Let him depart from evil and do good; seek peace and pursue it. 91:16. Because he hath set his heart upon me, with long life will I satisfy him, and show him my salvation.

[3] Prov. 19:15. Slothfulness casteth into a deep sleep. 20:13. Love not sleep, lest thou come to poverty. 18:9. The slothful is brother to him who is a waster.

[4] Eccl. 9:10. Whatsoever thy hand findeth to do, do with all thy might; for there is no work, nor device, nor knowledge, nor wisdom, in the grave, whither thou goest.

[5] Prov. 10:14. The hand of the diligent maketh rich.

[6] Prov. 26:16. The sluggard is wiser in his own conceit, than seven men who can give a reason.

[7] 1 Thes. 4:11. Study to do thine own business. Rom. 12:11. Be not slothful in business.

[1] Prov. 21:25. The desire of the slothful killeth him.

[2] Psalm 34:12. What man is he that desireth life and

despair increaseth them.' What, though you have found no treasure, nor has any rich relation left you a legacy, 'Diligence is the mother of good luck, and God gives all things to industry. Then plough deep while sluggards sleep,[8] and you shall have corn to sell and to keep.' Work while it is called to-day, for you know not how much you may be hindered to-morrow.[9] 'One to-day is worth two to-morrows,' as poor Richard says; and farther, 'Never leave that till to-morrow, which you can do to-day.' If you were a servant, would you not be ashamed that a good master should catch you idle? Are you then your own master? Be ashamed to catch yourself idle, when there is so much to be done for yourself, your family, your country, and your God. Handle your tools without mittens: remember, that 'the cat in gloves catches no mice,' as poor Richard says. It is true, there is much to be done, and, perhaps, you are weak handed; but stick to it steadily, and you will see great effects; for 'constant dropping wears away stones; and by diligence and patience the mouse ate in two the cable; and little strokes fell great oaks.'

"Methinks I hear some of you say, 'Must a man afford himself no leisure?' I will tell thee, my friend, what poor Richard says;—'Employ thy time well, if thou meanest to gain leisure;[10] and, since thou art not sure of a minute, throw not away an hour.' Leisure is time for doing something useful; this leisure the diligent man will obtain, but the lazy man never; for 'a life of leisure and life of laziness are two things.' Many without labor, would live by their wits only, but they break for want of stock; whereas, industry gives comfort, and plenty, and respect. 'Fly pleasures and they will follow you.[11] The diligent spinner has a large shift; and now I have a sheep and a cow, every body bides me good morrow.'

"II. But with our industry we must likewise be steady, settled, and careful, and oversee our own affairs with our own eyes, and not trust too much to others; for, as poor Richard says,

'I never saw an oft-removed tree,
Nor yet an oft-removed family,
That throve so well as those that settled be.'

And again, 'Three removes are as bad as a fire:' and again, 'Keep thy shop, and thy shop will keep thee;' and again, 'If you would have your business done, go; if not, send.'[12] And again,

'He that by the plough would thrive
Himself must either hold or drive.'

"And again, 'The eye of the master will do more work than both his hands;' and again, 'Want of care does more damage than want of knowledge:' and again, 'Not to oversee workmen, is to leave them your purse open.'

"Trusting too much to others' care is the ruin of many; for, 'In the affairs of this world, men are saved, not by faith in others, but by the want of it:' but a man's own care is profitable; for, 'If you would have a faithful servant, and one that you like —serve yourself.—A little neglect may breed great mischief; for want of a nail the shoe was lost; for want of a shoe the horse was lost; and for want of a horse the rider was lost,' being overtaken and slain by the enemy; all for want of a little care about a horse-shoe nail.

"III. So much for industry, my friends, and attention to one's own business; but to these we must add frugality, if we would make our industry more certainly successful. A man may, if he knows not how to save as he gets, 'keep his nose all his life to the grindstone, and die not worth a groat at last. A fat kitchen makes a lean will;' and,

'Many estates are spent in the getting,
Since women for tea forsook spinning and knitting,
And men for punch forsook hewing and splitting.'[13]

"'If you would be wealthy, think of saving, as well as getting. The Indies have not made Spain rich, because her outgoes are greater than her incomes.'

"Away then with your expensive follies, and you will not then have so much cause to complain of hard times, heavy taxes, and chargeable families;' for,

'Women and wine, game and deceit,
Make the wealth small, and the want great.'

And farther, 'What maintains one vice, would bring up two children.' You may think, perhaps, that a little tea, or a little punch now and then, diet a little more costly, clothes a little finer, and

[8] Prov. 20:4. The sluggard will not plough, therefore shall he beg. 6:6. Go to the ant, thou sluggard, consider her ways and be wise.
[9] John 9:4. Work while it is called to-day, for the night cometh when no man can work.
[10] Eph. 5:16. Redeem the time, because the days are evil.
[11] Prov. 21:17. He that loveth pleasure, shall be a poor man.
[12] Prov. 26:6. He that sendeth a message by the hand of a fool, cutteth off the feet and drinketh damage.
[13] Prov. 23:21. The drunkard shall come to poverty. 1 Cor. 6:10. No drunkard shall inherit the Kingdom of God.

a little entertainment now and then, can be no great matter; but remember, 'Many a little makes a mickle.' Beware of little expenses; 'A small leak will sink a great ship,' as poor Richard says; and again, 'Who dainties love, shall beggars prove;' and moreover, 'Fools make feasts, and wise men eat them.' Here you have all got together to this sale of fineries and knickknacks. You call them goods; but if you do not take care they will prove evils to some of you. You expect they will be sold cheap, and, perhaps, they must be for less than they cost: but if you have no occasion for them, they may be dear to you. Remember what poor Richard says, 'Buy what thou hast no need of, and ere long thou shalt sell thy necessaries.' And again, 'At a great penny-worth pause awhile:' he means, that perhaps the cheapness is apparent only, and not real; or the bargain, by straitening thee in thy business, may do thee more harm than good. For in another place, he says, 'Many have been ruined by buying good penny-worths.' Again, 'It is foolish to lay out money to purchase repentance;' and yet this folly is practiced every day at auctions, for want of minding the Almanac. Many a one, for the sake of finery on the back, has gone with a hungry belly, and half starved their families; 'Silks and satins, scarlets and velvets, put out the kitchen fire,' as poor Richard says. These are not the necessaries of life; they can scarcely be called the conveniences: and yet, only because they look pretty, how many want to have them!—By these and other extravagancies, the genteel are reduced to poverty, and forced to borrow of those whom they formerly despised, but who through industry and frugality, have maintained their standing; in which case, it appears plainly that, 'A ploughman on his legs, is higher than a gentleman on his knees,' as poor Richard says. Perhaps they have had a small estate left them, which they knew not the getting of; they think 'it is day and never will be night:' that a little to be spent out of so much is not worth minding; but 'Always taking out of the meal-tub, and never putting in, soon comes to the bottom,' as poor Richard says; and then, 'when the well is dry, they know the worth of water.' But this they might have known before, if they had taken his advice. 'If you would know the value of money, go and try to borrow some; for he that goes a borrowing, goes a sorrowing,' as poor Richard says; and, indeed, so does he that lends to such people, when he goes to get it out again. Poor Dick farther advises, and says,

'Fond pride of dress is sure a very curse,
Ere fancy you consult, consult your purse.'

And again, 'Pride is as loud a beggar as want, and a great deal more saucy.'[14] When you have bought one fine thing, you must buy ten more, that your appearance may be all of a piece; but poor Dick says, 'It is easier to suppress the first desire, than to satisfy all that follow it.' And it is as truly folly for the poor to ape the rich, as for the frog to swell, in order to equal the ox.

'Vessels large may venture more,
But little boats should keep near shore.'

It is, however, a folly soon punished; for, as poor Richard says, 'Pride that dines on vanity sups on contempt; Pride that breakfasted with Plenty, dined with Poverty, and supped with Infamy;' and after all, of what use is this pride of appearance, for which so much is risked, so much is suffered? It cannot promote health, nor ease pain; it makes no increase of merit in the person, it creates envy, it hastens misfortune.

"But, what madness it must be to run in debt for these superfluities! We are offered, by the terms of this sale, six months' credit; and that, perhaps, has induced some of us to attend it, because we cannot spare the ready money, and hope now to be fine without it. But, ah! think what you do when you run in debt; you give to another power over your liberty.[15] If you cannot pay at the time, you will be ashamed to see your creditor; you will be in fear when you speak to him; you will make poor, pitiful, sneaking excuses, and, by degrees, come to lose your veracity, and sink into base, downright lying; for, 'The second vice is lying, the first is running in debt,' as poor Richard says; and again to the same purpose, 'Lying rides upon Debt's back:'[16] whereas a free-born man ought not to be ashamed or afraid to see or speak to any man living. But poverty often deprives a man of all spirit and virtue. 'It is hard for an empty bag to stand upright.' What would you think of that prince, or of that government, who should issue an edict, forbidding you to dress like a gentleman or gentlewoman, on pain of imprisonment or servitude? Would you not say you were free, have a right to dress as you please, and that such an edict would be a breach of your privileges, and such a government tyrannical? And yet, you

[14] Prov. 16:18. Pride goeth before destruction, and a haughty spirit before a fall. 29:23. A man's pride shall bring him low, but honor shall uphold the humble spirit.
[15] Prov. 22:7. The borrower is servant to the lender.
[16] Prov. 12:22. Lying lips are an abomination unto the Lord. Rev. 21:8. Liars shall have their part in the lake which burneth with fire and brimstone, which is the second death.

are about to put yourselves under that tyranny, when you run in debt for such dress! Some creditor may harass and oppress you; and by going to law, may reduce you to poverty, and thus compel you to dress in rags and even beg your bread. When you have got your bargain, you may, perhaps, think little of payment; but, as poor Richard says, 'Creditors have better memories than debtors; creditors are a superstitious sect, great observers of set days and times.' The day comes round before you are aware, and the demand is made before you are prepared to satisfy it; or, if you bear your debt in mind, the term, which at first seemed so long will, as it lessens, appear extremely short: time will seem to have added wings to his heels as well as his shoulders. 'Those have a short Lent, who owe money to be paid at Easter.' At present, perhaps, you may think yourselves in thriving circumstances, and that you can bear a little extravagance without injury; but

'For age and want save while you may,
No morning sun lasts a whole day.'

"Gain may be temporary and uncertain; but ever, while you live, expense is constant and certain; and 'It is easier to build two chimneys, than to keep one in fuel,' as poor Richard says: so, 'Rather go to bed supperless, than rise in debt.'

'Get what you can, and what you get, hold,
'Tis the stone that will turn all your lead into gold.'

And when you have got the philosopher's stone, sure you will no longer complain of hard times.

"IV. This doctrine, my friends, is reason and wisdom: but, after all, do not depend too much upon your own industry, and frugality, and prudence, though excellent things;[17] for they may all be blasted without the blessing of heaven; and, therefore, ask that blessing humbly, and be not uncharitable to those that at present seem to want it, but comfort and help them.[18] Remember, Job suffered, and was afterwards prosperous.

"And now, to conclude, 'Experience keeps a dear school, but fools will learn in no other,' as poor Richard says, and scarce in that; for it is true, 'We may give advice, but we cannot give conduct.' However, remember this; 'They that will not be counseled cannot be helped;' and farther, that, 'If you will not hear Reason, she will surely rap your knuckles,' as poor Richard says."[19]

Thus the old gentleman ended his harangue. The people heard it and approved the doctrine, and immediately practiced the contrary, just as if it had been a common sermon; for the auction opened, and they began to buy extravagantly. I found the good man had thoroughly studied my Almanacs, and digested all I had dropped on those topics during the course of twenty-five years. The frequent mention he made of me must have tried any one else; my vanity was wonderfully delighted with it, though I was conscious that not a tenth part of the wisdom was my own, which he ascribed to me; but rather the gleanings that I had made of the sense of all ages and nations. However, I resolved to be the better for the echo of it; and though I had at first determined to buy stuff for a new coat, I went away, resolved to wear my old one a little longer. Reader, if thou wilt do the same, thy profit will be as great as mine.

I am, as ever, thine to serve thee.

RICHARD SAUNDERS.

Every able-bodied man in this country, may support himself and family comfortably; if they do not, it is probably owing to idleness, improvidence, or intemperance. We knew in a neighboring city, four blacksmiths employed in the same shop,—two were first-rate workmen, the other two were helpers. The first two received $1.50 per day each; the last two 75 cents per day. The first two were regular drinkers, and no persuasion could induce them to forego their drams; the last two were temperate men, and expended nothing for strong drink. Now mark the difference. The first two were poor,—their families neglected, destitute, and distressed. The wife and children of one of them have been driven from their beds into the street, in a cold night, and compelled to accept of charity to save them from starvation. At length, he deserted his family, and soon after died suddenly at Pittsburgh. The other is now very sick, apparently on his deathbed. The two helpers who received but 75 cents per day, support their families comfortably, and have each about $300 in the Savings' Bank. We know another laborer, who, with $1 per day, supports his

[17] Prov. 11:28. He that trusteth in riches shall fall: but the righteous shall flourish as a branch. 28:26. He that trusteth to his own heart, is a fool. Psal. 32:10. Many sorrows shall be to the wicked; but he that trusteth in the Lord, mercy shall compass him about. Prov. 3:6. In all thy ways acknowledge Him, and he shall direct thy paths.

[18] Prov. 13:25. He that watereth, shall also be watered himself.

[19] Eccl. 12:13. Hear the conclusion of the whole matter: fear God and keep his commandments; for this is the whole duty of man.

family handsomely, and has nearly $400 in the Savings' Bank. He, too, is an abstinence man. . . .

It is said the eccentric and gifted John Randolph once jumped up from his seat in Congress and exclaimed: "Mr. Speaker, I have found the philosopher's stone: it is this, *pay as you go*."

This is one of the first great lessons in domestic economy, which every one, but especially every laboring man, should learn, that is, to live within his income—the *farther within* the better—and to adopt and practice the rule, "*pay as you go*."

Adopt this system and "hard times" will not trouble you. Such times, if they come, may be the easiest, for they always depress the market, and make provisions and merchandise cheaper.

Keep to your business, and your business will keep you. Perseverance will remove mountains. Don't mind a dark day. However thick and dark the clouds, there is light *above* them. Look up and persevere.

Buy nothing useless. Never get in debt as long as you can work. Spend all your money if in want, then wait a week before trying your credit. When you have earned a dollar, always lay by a quarter or a half.

Keep an account of every day's wages, of every idle day, and of every expenditure.

The following table will show the difference between cash and credit, in necessary family expenses. The one is an account kept by the buyer, as the articles were bought and paid for; the other is taken from the grocer's bills:—

For Cash

1	Barrel of Flour 196 lb.	$5 50
1	Gallon of Vinegar	20
14	lb. of Brown Sugar	87½
3½	lb. of Coffee	44
1	lb. of Black Tea	50
6	lb. of Candles	60
3	Bushels of Potatoes	1 87½
1	Ham, 12 lb.	1 08
10	lb. of Pork	60
50	lb. of Indian Meal	75
6	Boxes of Matches	6
1	Broom	18¾
20	lb. of Butter	3 75
12	lb. of Soap	75
2	Gallons of Molasses	62½
	Cost for Cash	17 79¼

For Credit

196	lb. of Flour at 4 cts	$7 84
1	Gallon of Vinegar	25
14	lb. Brown Sugar	1 02
3½	lb. of Coffee	50
1	lb. Black Tea	62½
6	lb. Candles	75
3	Bushels of Potatoes	2 62½
12	lb. of Ham	1 50
10	lb. of Pork	73
50	lb. of Indian Meal	1 00
6	Boxes of Matches	12½
1	Broom	25
20	lb. of Butter	4 17
12	lb. of Soap	87½
2	Gallons of Molasses	75
	Cost on Credit	23 01
	Cost for Cash	17 79¼
	In favor of Cash	5 21¾

The above is a moderate estimate of the difference between a *running account*, and having the range of the market with ready money. If the practice of having things charged is also adopted with regard to fresh meats, fruits and vegetables, in city markets, the difference will be found to be much greater.

Three cents a day, amount to eleven dollars and forty cents a year. This sum would supply a small family with fuel through the winter. Six and a quarter cents a day, amount to twenty-two dollars eighty-one cents in a year. This sum would furnish for winter, two tons of coal, one barrel of flour, one hundred pounds of Indian meal, and one hundred pounds of pork.

Is there a mechanic or laborer, who finds it difficult to provide the necessaries of life for his family, and who spends twelve and a half cents a day for strong drink? let him remember that this small sum will in one year amount to forty-five dollars sixty-two cents, and will purchase, when the markets are cheapest, the following indispensable articles, viz.,

3	tons of coal,	$15.00
1	load of wood,	1.62
2	barrels of flour,	11.00
200	lbs. of Indian meal,	3.00
200	lbs. of pork,	11.00
8	bushels of potatoes,	4.00
		$45.62

Into a house thus supplied, hunger and cold could not enter. And if to these articles is added what before he has felt able to purchase, abundance and comfort would be the inmates of his dwelling.

Should a mechanic or laborer read this, who is forty years of age, and who has expended twelve and a half cents a day, for strong drink, and is now feeling the bitterness of poverty,—by saving this sum, he might, since he was twenty-one years

of age, have accumulated about one thousand dollars,—if he is fifty years of age, one thousand five hundred dollars,—sixty years of age, two thousand dollars;—and twenty-five cents a day, would produce twice the above amounts.

And permit me, reader, in conclusion to say, that if to economy, frugality, and temperance, you add humble faith in Christ, and obedience to the Gospel, then, indeed, you may not only be comfortable, but useful and happy. RELIGION, after all, is the principal thing. It has the promise of the life that now is, and of that which is to come. Without it, whatever else you possess in this life, you will go portionless into eternity. But with it, whatever else is denied you here, you will have the favor of God, an approving conscience, and a sure hope of heaven. Seek then, with the deepest earnestness and seriousness, the things which belong to your everlasting peace. So shall it be well with you here and hereafter.

THE SOCIOLOGY AND ECONOMICS OF SLAVERY

As CALHOUN presented the political argument for the South's "peculiar institution," so George Fitzhugh argued its case on the level of social theory. Born and reared a Virginia planter, George Fitzhugh (1806–1881) found life good in his own community. While the world outside was shaken by social discontent and disturbed by innovations in literature and religion, Virginians continued in the ways of peace and piety. They appointed no commissions to reform poor laws, investigate the condition of labor, or consider erecting better prisons; there were no murders in Fitzhugh's country and no thieves or beggars. Such a happy condition was the product of Virginia's social organization—characterized by the existence of slavery. Thus Fitzhugh in his *Sociology for the South* (Richmond, 1854). Slavery was good then, a positive good, since it freed the South from the problems that were vexing the rest of the world.

For all the keenness of its argument, *Sociology for the South* attracted comparatively little interest at home. Three years later, Fitzhugh proceeded to an even more vigorous defense of slavery, in his *Cannibals All!* (Richmond, 1857), which carried the argument into the home of its enemies. He confronted liberals with the criticisms of the Utopians, Northern and British manufacturers with the reports of British poor law commissions, and Abolitionists with the sufferings of wage laborers. What the world needs, Fitzhugh argues, is to abandon false philosophy and return to the true science of politics as expounded by Aristotle. Give up the compact theory and the notion of natural rights; admit that government is based on force; accept the facts of nature. Some are strong, others are weak; it is right that those who need protection—women, idiots, laborers, and Negroes—should obey their protectors. Man was born a social creature, he never existed in the "state of nature" postulated by the natural rights theorists.

Free society is as great a failure as the philosophy on which it is built, Fitzhugh continues. The Abolitionists themselves recognize that fact, for they all support women's rights, heretical interpretations of the Bible, and the abandonment of government; their chief advocate, Horace Greeley's *Tribune*, is the organ of "all the isms."

While Northern newspapers expound such doctrine, the Southern press prints sense. "The South is governed by the need to keep its negroes in order, which preserves a healthy, conservative public opinion." Northern conservatives should recognize that, he declares; they should combine with like-minded Southerners before the Abolitionists let loose a torrent of Jacobinism. Southerners, on the other hand, should strengthen their own states, improve the education of their poorer whites, develop a more varied economic life, reestablish small entails to prevent the development of a Southern pauperism, and then stand firm with the Democratic party against the treason of the North.

Thus a frank defense of slavery. Other voices were also being raised in the debate.

The North Carolinian, Hinton R. Helper, criticized slavery from the point of view of the non-slaveowning yeoman white farmers. These two selections present aspects of the social and economic analysis of the South's "peculiar institution" being made just before the Civil War.

The selection from Fitzhugh here reprinted is from *Cannibals All; or, Slaves without Masters* (Richmond, 1857).

For reading Helper's *The Impending Crisis of the South* men were lynched and at least one Southern state made possession or distribution of the book a felony. An examination of the work helps one understand this oblique tribute to the power of the printed word. For Hinton Rowan Helper (1829–1909) did his best to destroy the idea of a South solidly united behind its slave-holding interest. Helper himself was born in the upcountry of North Carolina and came from a family of farmers. After a brief period at a country academy, and a few years spent unsuccessfully as a clerk at a crossroads store, he went to California, where he was no luckier. He returned to North Carolina, then, and wrote the *Impending Crisis*, which Northern publishers refused to print because they considered it too "incendiary." Helper brought the book out at his own cost in 1854, but though it had an enormous circulation it brought him less money than reputation. Northerners sprang to refute its statistics; Southerners answered Helper's argument by proving him a thief; and the non-slaveholding whites for whom he wrote were often without the ability to read its violent pages.

And that was another of the ills they owed to slavery. The North and the South began on an equal footing, Helper asserts; if either had an advantage, that lay with the South in 1789. Yet the South now lives and dies in economic bondage to the North. The slave system had produced that decline, Helper declares. Slavery had made the South waste its timber and destroy its soil; it was profiting England and the North, not the South itself, where capital earned scarcely one per cent. Though an insignificant fraction of the population, the slaveholders have constituted themselves "the sole arbiters and legislators for the entire South." They have driven the non-slaveholders from the best land and denied them the benefit of industry and common schools, since it is "the oligarchy's" policy to "keep the masses, the non-slaveholding whites and negroes forever . . . in loathsome dungeons of illiteracy."

That is almost the only word of sympathy for the slave which is to be found in the *Impending Crisis*. Helper is concerned with the white man now crushed by the slave system. "Smallpox is a nuisance," Helper shouts, "strychnine is a nuisance; mad dogs are a nuisance; slavery is a nuisance; slave-holders are a nuisance and so are slave-breeders; it is our business, nay, it is our imperative duty to abate nuisances; we propose therefore . . . to exterminate this catalogue from beginning to end." Slave-holders are worse than thieves and more criminal than murderers. Their white victims should rise, unite and exclude them from political power. Then, slaves should be taxed progressively, so that the slaveowners who have reduced the value of Southern land by $22 an acre may bear the cost of shipping the freed Negroes back to Liberia. For the present, though, Helper declares himself willing to accept the program of the Wheeling, Va., *Gazette:* repeal the Fugitive Slave Law and the Kansas-Nebraska Act, abolish slavery in the Dictrict of Columbia, and acquire no more slave territory.

The audience Helper most wanted to reach never did hear him. The Republican party he had helped (for his book was used as a campaign document in 1860) rewarded him with a South American consulate that led Helper to the promotion of an unsuccessful scheme for a railroad to unite the Three Americas. He returned to the United States and to obscurity and died a suicide.

The Impending Crisis is particularly significant for revealing the plight of the poor white farmers of the South who were also the victims of the slave institution. The selection here reprinted is from the New York edition of 1860.

Cannibals All!

BY GEORGE FITZHUGH

Chapter I: The Universal Trade

We are, all, North and South, engaged in the White Slave Trade, and he who succeeds best, is esteemed most respectable. It is far more cruel than the Black Slave Trade, because it exacts more of its slaves, and neither protects nor governs them. We boast, that it exacts more, when we say, "that the *profits* made from employing free labor are greater than those from slave labor." The profits, made from free labor, are the amount of the products of such labor, which the employer, by means of the command which capital or skill gives him, takes away, exacts or "exploitates" from the free laborer. The profits of slave labor are that portion of the products of such labor which the power of the master enables him to appropriate. These profits are less, because the master allows the slave to retain a larger share of the results of his own labor, than do the employers of free labor. But we not only boast that the White Slave Trade is more exacting and fraudulent (in fact, though not in intention,) than Black Slavery; but we also boast, that it is more cruel, in leaving the laborer to take care of himself and family out of the pittance which skill or capital have allowed him to retain. When the day's labor is ended, he is free, but is overburdened with the cares of family and household, which make his freedom an empty and delusive mockery. But his employer is really free, and may enjoy the profits made by others' labor, without a care, or a trouble, as to their well-being. The negro slave is free, too, when the labors of the day are over, and free in mind as well as body; for the master provides food, raiment, house, fuel, and everything else necessary to the physical well-being of himself and family. The master's labors commence just when the slave's end. No wonder men should prefer white slavery to capital, to negro slavery, since it is more profitable, and is free from all the cares and labors of black slave-holding.

Now, reader, if you wish to know yourself—to "descant on your own deformity"—read on. But if you would cherish self-conceit, self-esteem, or self-appreciation, throw down our book; for we will dispel illusions which have promoted your happiness, and shew you that what you have considered and practiced as virtue, is little better than moral Cannibalism. But you will find yourself in numerous and respectable company; for all good and respectable people are "Cannibals all," who do not labor, or who are successfully trying to live without labor, on the unrequited labor of other people:—Whilst low, bad, and disreputable people, are those who labor to support themselves, and to support said respectable people besides. Throwing the negro slaves out of the account, and society is divided in Christendom into four classes: The rich, or independent respectable people, who live well and labor not at all; the professional and skillful respectable people, who do a little light work, for enormous wages; the poor hard-working people, who support every body, and starve themselves; and the poor thieves, swindlers and sturdy beggars, who live like gentlemen, without labor, on the labor of other people. The gentlemen exploitate, which being done on a large scale, and requiring a great many victims, is highly respectable—whilst the rogues and beggars take so little from others, that they fare little better than those who labor.

But, reader, we do not wish to fire into the flock. "Thou art the man!" You are a Cannibal! and if a successful one, pride yourself on the number of your victims, quite as much as any Feejee chieftain, who breakfasts, dines and sups on human flesh.—And your conscience smites you, if you have failed to succeed, quite as much as his, when he returns from an unsuccessful foray.

Probably, you are a lawyer, or a merchant, or a doctor, who have made by your business fifty thousand dollars, and retired to live on your capital. But, mark! not to spend your capital. That would be vulgar, disreputable, criminal. That would be, to live by your own labor; for your capital is your amassed labor. That would be, to do as common working men do; for they take the pittance which their employers leave them, to live on. They live by labor; for they exchange the results of their own labor for the products of other people's labor. It is, no doubt, an honest, vulgar way of living; but not at all a respectable way. The respectable way of living is, to make other people work for you, and to pay them nothing for so doing—and to have no concern about them after their work is done. Hence, white slave-holding is much more respectable than negro slavery—for the master works nearly as hard for the negro, as he for the master. But you, my virtuous, respectable reader, exact three thousand dollars per annum from white labor, (for your income is the product of white labor,) and make not one cent of return in any form. You retain

your capital, and never labor, and yet live in luxury on the labor of others. Capital commands labor, as the master does the slave. Neither pays for labor; but the master permits the slave to retain a larger allowance from the proceeds of his own labor, and hence "free labor is cheaper than slave labor." You, with the command over labor which your capital gives you, are a slave owner —a master, without the obligations of a master. They who work for you, who create your income, are slaves, without the rights of slaves. Slaves without a master! Whilst you were engaged in amassing your capital, in seeking to become independent, you were in the White Slave Trade. To become independent, is to be able to make other people support you, without being obliged to labor for *them*. Now, what man in society is not seeking to attain this situation? He who attains it, is a slave owner, in the worst sense. He who is in pursuit of it, is engaged in the slave trade. You, reader, belong to the one or other class. The men without property, in free society, are theoretically in a worse condition than slaves. Practically, their condition corresponds with this theory, as history and statistics every where demonstrate. The capitalists, in free society, live in ten times the luxury and show that Southern masters do, because the slaves to capital work harder and cost less, than negro slaves.

The negro slaves of the South are the happiest, and, in some sense, the freest people in the world. The children and the aged and infirm work not at all, and yet have all the comforts and necessaries of life provided for them. They enjoy liberty, because they are oppressed neither by care nor labor. The women do little hard work, and are protected from the despotism of their husbands by their masters. The negro men and stout boys work, on the average, in good weather, not more than nine hours a day. The balance of their time is spent in perfect abandon. Besides, they have their Sabbaths and holidays. White men, with so much of license and liberty, would die of ennui; but negroes luxuriate in corporeal and mental repose. With their faces upturned to the sun, they can sleep at any hour; and quiet sleep is the greatest of human enjoyments. "Blessed be the man who invented sleep." 'Tis happiness in itself—and results from contentment with the present, and confident assurance of the future. We do not know whether free laborers ever sleep. They are fools to do so; for, whilst they sleep, the wily and watchful capitalist is devising means to ensnare and exploitate them. The free laborer must work or starve. He is more of a slave than the negro, because he works longer and harder for less allowance than the slave, and has no holiday, because the cares of life with him begin when its labors end. He has no liberty, and not a single right. We know, 'tis often said, air and water, are common property, which all have equal right to participate and enjoy; but this is utterly false. The appropriation of the lands carries with it the appropriation of all on or above the lands, *usque ad cœlum, aut ad inferos.* A man cannot breathe the air, without a place to breathe it from, and all places are appropriated. All water is private property "to the middle of the stream," except the ocean, and that is not fit to drink.

Free laborers have not a thousandth part of the rights and liberties of negro slaves. Indeed, they have not a single right or a single liberty, unless it be the right or liberty to die. But the reader may think that he and other capitalists and employers are freer than negro slaves. Your capital would soon vanish, if you dared indulge in the liberty and abandon of negroes. You hold your wealth and position by the tenure of constant watchfulness, care and circumspection. You never labor; but you are never free.

Where a few own the soil, they have unlimited power over the balance of society, until domestic slavery comes in, to compel them to permit this balance of society to draw a sufficient and comfortable living from "terra mater." Free society, asserts the right of a few to the earth—slavery, maintains that it belongs, in different degrees, to all.

But, reader, well may you follow the slave trade. It is the only trade worth following, and slaves the only property worth owning. All other is worthless, a mere *caput mortuum*, except in so far as it vests the owner with the power to command the labors of others—to enslave them. Give you a palace, ten thousand acres of land, sumptuous clothes, equipage and every other luxury; and with your artificial wants, you are poorer than Robinson Crusoe, or the lowest working man, if you have no slaves to capital, or domestic slaves. Your capital will not bring you an income of a cent, nor supply one of your wants, without labor. Labor is indispensable to give value to property, and if you owned every thing else, and did not own labor, you would be poor. But fifty thousand dollars means, and is, fifty thousand dollars worth of slaves. You can command, without touching on that capital, three thousand dollars' worth of labor per annum. You could do no more were you to buy slaves with it, and then you would be cumbered with the cares of governing and providing for them. You are a slaveholder now, to the amount of fifty thousand dollars, with all the ad-

vantages, and none of the cares and responsibilities of a master.

"Property in man" is what all are struggling to obtain. Why should they not be obliged to take care of man, their property, as they do of their horses and their hounds, their cattle and their sheep. Now, under the delusive name of liberty, you work him, "from morn to dewy eve"—from infancy to old age—then turn him out to starve. You treat your horses and hounds better. Capital is a cruel master. The free slave trade, the commonest, yet the cruellest of trades.

Chapter II: Labor, Skill and Capital

Nothing written on the subject of slavery from the time of Aristotle, is worth reading, until the days of the modern Socialists. Nobody, treating of it, thought it worth while to enquire from history and statistics, whether the physical and moral condition of emancipated serfs or slaves had been improved or rendered worse by emancipation. None would condescend to compare the evils of domestic slavery with the evils of liberty without property. It entered no one's head to conceive a doubt as to the actual freedom of the emancipated. The relations of capital and labor, of the property-holders to the non-property-holders, were things about which no one had thought or written. It never occurred to either the enemies or the apologists for slavery, that if no one would employ the free laborer, his condition was infinitely worse than that of actual slavery—nor did it occur to them, that if his wages were less than the allowance of the slave, he was less free after emancipation than before. St. Simon, Fourier, Owen, Fanny Wright, and a few others, who discovered and proclaimed that property was not only a bad master, but an intolerable one, were treated as wicked visionaries. After the French and other revolutions in Western Europe in 1830, all men suddenly discovered that the social relations of men were false, and that social, not political, revolutions were needed. Since that period, almost the whole literature of free society is but a voice proclaiming its absolute and total failure. Hence the works of the socialists contain the true defence of slavery.

Most of the active intellect of Christendom has for the last twenty years been engaged in analyzing, detecting and exposing the existing relations of labor, skill and capital, and in vain efforts to rectify those relations. The philosophers of Europe, who have been thus engaged, have excelled all the normal philosophers that preceded them, in the former part of their pursuit, but suggested nothing but puerile absurdities, in the latter. Their destructive philosophy is profound, demonstrative, and unanswerable—their constructive theories, wild, visionary and chimerical on paper, and failures in practice. Each one of them proves clearly enough, that the present edifice of European society is out of all rule and proportion, and must soon tumble to pieces—but no two agree as to how it is to be re-built. "We must (say they all) have a new world, if we are to have any world at all!" and each has a little model Utopia or Phalanstery, for this new and better world, which, having already failed on a small experimental scale, the inventor assures us, is, therefore, the very thing to succeed on a large one. We allude to the socialists and communists, who have more or less tinged all modern literature with their doctrines. In analyzing society; in detecting, exposing, and generalizing its operations and its various phenomena, they are but grammarians or anatomists, confining philosophy to its proper sphere, and employing it for useful purposes. When they attempt to go further—and having found the present social system to be fatally diseased, propose to originate and build up another in its stead—they are as presumptuous as the anatomist, who should attempt to create a man. Social bodies, like human bodies, are the works of God, which man may dissect, and sometimes heal, but which he cannot create. . . .

Chapter XXXII: Man has Property in Man!

In the Liberator of the 19th December, we observe that the editor narrows down the slavery contest to the mere question, whether "Man may rightfully hold property in man?"

We think we can dispose of this objection to domestic slavery in a very few words.

Man is a social and gregarious animal, and all such animals hold property in each other. Nature imposes upon them slavery as a law and necessity of their existence. They live together to aid each other, and are slaves under Mr. Garrison's higher law. Slavery arises under the higher law, and is, and ever must be, coëval and coëxtensive with human nature.

We will enumerate a few of its ten thousand modifications.

The husband has a legally recognized property in his wife's services, and may legally control, in some measure, her personal liberty. She is his property and his slave.

The wife has also a legally recognized property in the husband's services. He is her property, but not her slave.

The father has property in the services and persons of his children till they are twenty-one years of age. They are his property and his slaves.

Children have property, during infancy, in the services of each parent.

Infant negroes, sick, infirm and superannuated negroes, hold most valuable property in the services and capital of their masters. The masters hold no property in such slaves, because, for the time, they are of no value.

Owners and captains of vessels own property in the services of sailors, and may control their personal liberty. They (the sailors) are property, and slaves also.

The services and persons, lives and liberty of soldiers and of officers, belong to the Government; they are, whilst in service, both property and slaves.

Every white working man, be he clerk, carpenter, mechanic, printer, common laborer, or what else, who contracts to serve for a term of days, months, or years, is, for such term, the property of his employer. He is not a slave, like the wife, child, apprentice, sailor or soldier, because, although the employer's right to his services be equally perfect, his remedy to enforce such right is very different. In the one case, he may resort to force to compel compliance; in the other, he is driven to a suit for damages.

Again: Every capitalist holds property in his fellow men to the extent of the profits of his capital, or income. The only income possibly resulting from capital, is the result of the property which capital bestows on its owners, in the labor of other people. In our first three chapters we attempt to explain this.

All civilized society recognizes, and, in some measure, performs the obligation to support and provide for all human beings, whether natives or foreigners, who are unable to provide for themselves. Hence poor-houses, &c.

Hence all men hold valuable property, actual or contingent, in the services of each other.

If, Mr. Garrison, this be the only difficulty to be adjusted between North and South, we are sure that your little pet, Disunion, "living will linger, and lingering will die."

When Mr. Andrews and you have quite "expelled human nature," dissolved and disintegrated society, and reduced mankind to separate, independent, but conflicting monads, or human atoms —then, and not till then, will you establish the "sovereignty of the individual," and destroy the property of man in man.

The Impending Crisis of the South

BY HINTON R. HELPER

Chapter I: Comparison Between the Free and the Slave States

. . . And now that we have come to the very heart and soul of our subject, we feel no disposition to mince matters, but mean to speak plainly, and to the point, without any equivocation, mental reservation, or secret evasion whatever. The son of a venerated parent, who, while he lived, was a considerate and merciful slaveholder, a native of the South, born and bred in North Carolina, of a family whose home has been in the valley of the Yadkin for nearly a century and a half, a Southerner by instinct and by all the influences of thought, habits, and kindred, and with the desire and fixed purpose to reside permanently within the limits of the South, and with the expectation of dying there also—we feel that we have the right to express our opinion, however humble or unimportant it may be, on any and every question that affects the public good; and, so help us God, "sink or swim, live or die, survive or perish," we are determined to exercise that right with manly firmness, and without fear, favor or affection.

And now to the point. In our opinion, an opinion which has been formed from data obtained by assiduous researches, and comparisons, from laborious investigation, logical reasoning, and earnest reflection, the causes which have impeded the progress and prosperity of the South, which have dwindled our commerce, and other similar pursuits, into the most contemptible insignificance; sunk a large majority of our people in galling poverty and ignorance, rendered a small minority conceited and tyrannical, and driven the rest away from their homes; entailed upon us a humiliating dependence on the Free States; disgraced us in the recesses of our own souls, and brought us under reproach in the eyes of all civilized and enlightened nations—may all be traced to one common source, and there find solution in the most hateful and horrible word, that was ever incorporated into the vocabulary of human economy—*Slavery!*

Reared amidst the institution of slavery, believing it to be wrong both in principle and in practice, and having seen and felt its evil influences upon individuals, communities and states, we

deem it a duty, no less than a privilege, to enter our protest against it, and to use our most strenuous efforts to overturn and abolish it! Then we are an abolitionist? Yes! not merely a freesoiler, but an abolitionist, in the fullest sense of the term. We are not only in favor of keeping slavery out of the territories, but, carrying our opposition to the institution a step further, we here unhesitatingly declare ourselves in favor of its immediate and unconditional abolition, in every state in this confederacy, where it now exists! Patriotism makes us a freesoiler; state pride makes us an emancipationist; a profound sense of duty to the South makes us an abolitionist; a reasonable degree of fellow feeling for the negro, makes us a colonizationist. With the free state men in Kansas and Nebraska, we sympathize with all our heart. We love the whole country, the great family of states and territories, one and inseparable, and would have the word Liberty engraved as an appropriate and truthful motto, on the escutcheon of every member of the confederacy. We love freedom, we hate slavery, and rather than give up the one or submit to the other, we will forfeit the pound of flesh nearest our heart. Is this sufficiently explicit and categorical? If not, we hold ourself in readiness at all times, to return a prompt reply to any proper question that may be propounded.

Our repugnance to the institution of slavery, springs from no one-sided idea, or sickly sentimentality. We have not been hasty in making up our mind on the subject; we have jumped at no conclusions; we have acted with perfect calmness and deliberation; we have carefully considered, and examined the reasons for and against the institution, and have also taken into account the probable consequences of our decision. The more we investigate the matter, the deeper becomes the conviction that we are right; and with this to impel and sustain us, we pursue our labor with love, with hope, and with constantly renewing vigor.

That we shall encounter opposition we consider as certain; perhaps we may even be subjected to insult and violence. From the conceited and cruel oligarchy of the South, we could look for nothing less. But we shall shrink from no responsibility, and do nothing unbecoming a man; we know how to repel indignity, and if assaulted, shall not fail to make the blow recoil upon the aggressor's head. The road we have to travel may be a rough one, but no impediment shall cause us to falter in our course. The line of our duty is clearly defined, and it is our intention to follow it faithfully, or die in the attempt.

But, thanks to heaven, we have no ominous forebodings of the result of the contest now pending between Liberty and Slavery in this confederacy. Though neither a prophet nor the son of a prophet, our vision is sufficiently penetrative to divine the future so far as to be able to see that the "peculiar institution" has but a short, and, as heretofore, inglorious existence before it. Time, the righter of every wrong, is ripening events for the desired consummation of our labors and the fulfillment of our cherished hopes. Each revolving year brings nearer the inevitable crisis. The sooner it comes the better; may heaven, through our humble efforts, hasten its advent.

The first and most sacred duty of every Southerner, who has the honor and the interest of his country at heart, is to declare himself an unqualified and uncompromising abolitionist. No conditional or half-way declaration will avail; no mere threatening demonstration will succeed. With those who desire to be instrumental in bringing about the triumph of liberty over slavery, there should be neither evasion, vacillation, nor equivocation. We should listen to no modifying terms or compromises that may be proposed by the proprietors of the unprofitable and ungodly institution. Nothing short of the complete abolition of slavery can save the South from falling into the vortex of utter ruin. Too long have we yielded a submissive obedience to the tyrannical domination of an inflated oligarchy; too long have we tolerated their arrogance and self-conceit, too long have we submitted to their unjust and savage exactions. Let us now wrest from them the sceptre of power, establish liberty and equal rights throughout the land, and henceforth and forever guard our legislative halls from the pollutions and usurpations of proslavery demagogues. . . .

Notwithstanding the fact that the white non-slaveholders of the South, are in the majority, as five to one, they have never yet had any part or lot in framing the laws under which they live. There is no legislation except for the benefit of slavery, and slaveholders. As a general rule, poor white persons are regarded with less esteem and attention than negroes, and though the condition of the latter is wretched beyond description, vast numbers of the former are infinitely worse off. A cunningly devised mockery of freedom is guarantied to them, and that is all. To all intents and purposes they are disfranchised, and outlawed, and the only privilege extended to them, is a shallow and circumscribed participation in the political movements that usher slaveholders into office.

We have not breathed away seven and twenty years in the South, without becoming acquainted with the demagogical manœuvrings of the oligarchy. Their intrigues and tricks of legerdemain

are as familiar to us as household words; in vain might the world be ransacked for a more precious junto of flatterers and cajolers. It is amusing to ignorance, amazing to credulity, and insulting to intelligence, to hear them in their blattering efforts to mystify and pervert the sacred principles of liberty, and turn the curse of slavery into a blessing. To the illiterate poor whites—made poor and ignorant by the system of slavery—they hold out the idea that slavery is the very bulwark of our liberties, and the foundation of American independence! For hours at a time, day after day, will they expatiate upon the inexpressible beauties and excellencies of this great, *free* and *independent* nation; and finally, with the most extravagant gesticulations and rhetorical flourishes, conclude their nonsensical ravings, by attributing all the glory and prosperity of the country, from Maine to Texas, and from Georgia to California, to the "invaluable institutions of the South!" With what patience we could command, we have frequently listened to the incoherent and truth-murdering declamations of these champions of slavery, and, in the absence of a more politic method of giving vent to our disgust and indignation, have involuntarily bit our lips into blisters.

The lords of the lash are not only absolute masters of the blacks, who are bought and sold, and driven about like so many cattle, but they are also the oracles and arbiters of all non-slaveholding whites, whose freedom is merely nominal, and whose unparalleled illiteracy and degradation is purposely and fiendishly perpetuated. How little the "poor white trash," the great majority of the Southern people, know of the real condition of the country is, indeed, sadly astonishing. The truth is, they know nothing of public measures, and little of private affairs, except what their imperious masters, the slave-drivers, condescend to tell, and that is but precious little, and even that little, always garbled and one-sided, is never told except in public harangues; for the haughty cavaliers of shackles and handcuffs will not degrade themselves by holding private converse with those who have neither dimes nor hereditary rights in human flesh.

Whenever it pleases, and to the extent it pleases, a slaveholder to become communicative, poor whites may hear with fear and trembling, but not speak. They must be as mum as dumb brutes, and stand in awe of their august superiors, or be crushed with stern rebukes, cruel oppressions, or downright violence. If they dare to think for themselves, their thoughts must be forever concealed. The expression of any sentiment at all conflicting with the gospel of slavery, dooms them at once in the community in which they live, and then, whether willing or unwilling, they are obliged to become heroes, martyrs, or exiles. They may thirst for knowledge, but there is no Moses among them to smite it out of the rocks of Horeb. The black veil, through whose almost impenetrable meshes light seldom gleams, has long been pendent over their eyes, and there, with fiendish jealousy, the slave-driving ruffians sedulously guard it. Non-slaveholders are not only kept in ignorance of what is transpiring at the North but they are continually misinformed of what is going on even in the South. Never were the poorer classes of a people, and those classes so largely in the majority, and all inhabiting the same country, so basely duped, so adroitly swindled, or so damnably outraged.

It is expected that the stupid and sequacious masses, the white victims of slavery, will believe, and, as a general thing, they do believe, whatever the slaveholders tell them; and thus it is that they are cajoled into the notion that they are the freest, happiest and most intelligent people in the world, and are taught to look with prejudice and disapprobation upon every new principle or progressive movement. Thus it is that the South, woefully inert and inventionless, has lagged behind the North, and is now weltering in the cesspool of ignorance and degradation. . . .

Non-slaveholders of the South! farmers, mechanics and workingmen, we take this occasion to assure you that the slaveholders, the arrogant demagogues whom you have elected to offices of honor and profit, have hoodwinked you, trifled with you, and used you as mere tools for the consummation of their wicked designs. They have purposely kept you in ignorance, and have, by moulding your passions and prejudices to suit themselves, induced you to act in direct opposition to your dearest rights and interests. By a system of the grossest subterfuge and misrepresentation, and in order to avert, for a season, the vengeance that will most assuredly overtake them ere long, they have taught you to hate the abolitionists, who are your best and only true friends. Now, as one of your own number, we appeal to you to join us in our patriotic endeavors to rescue the generous soil of the South from the usurped and desolating control of these political vampires. Once and forever, at least so far as this country is concerned, the infernal question of slavery must be disposed of; a speedy and perfect abolishment of the whole institution is the true policy of the South—and this is the policy which we propose to pursue. Will you aid us, will you assist us, will you be freemen, or will you be slaves? These are ques-

tions of vital importance; weigh them well in your minds; come to a prudent and firm decision, and hold yourselves in readiness to act in accordance therewith. You must either be for us or against us —anti-slavery or pro-slavery; it is impossible for you to occupy a neutral ground; it is as certain as fate itself, that if you do not voluntarily oppose the usurpations and outrages of the slavocrats, they will force you into involuntary compliance with their infamous measures. Consider well the aggressive, fraudulent and despotic power which they have exercised in the affairs of Kansas; and remember that, if, by adhering to erroneous principles of neutrality or non-resistance, you allow them to force the curse of slavery on that vast and fertile field, the broad area of all the surrounding States and Territories—the whole nation, in fact —will soon fall a prey to their diabolical intrigues and machinations. Thus, if you are not vigilant, will they take advantage of your neutrality, and make you and others the victims of their inhuman despotism. Do not reserve the strength of your arms until you shall have been rendered powerless to strike; the present is the proper time for action; under all the circumstances, apathy or indifference is a crime. First ascertain, as nearly as you can, the precise nature and extent of your duty, and then, without a moment's delay, perform it in good faith. To facilitate you in determining what considerations of right, justice and humanity require at your hands, is one of the primary objects of this work; and we shall certainly fail in our desire if we do not accomplish our task in a manner acceptable to God and advantageous to man.

Chapter II: How Slavery Can Be Abolished

NUMBER OF SLAVEHOLDERS IN THE UNITED STATES—1850.

Alabama	29,295
Arkansas	5,999
Columbia, District of	1,477
Delaware	809
Florida	3,520
Georgia	38,456
Kentucky	38,385
Louisiana	20,670
Maryland	16,040
Mississippi	23,116
Missouri	19,185
North Carolina	28,303
South Carolina	25,596
Tennessee	33,865
Texas	7,747
Virginia	55,063
Total Number of Slaveholders in the United States	347,525

CLASSIFICATION OF THE SLAVEHOLDERS—1850.

Holders of 1 slave	68,820
Holders of 1 and under 5	105,683
Holders of 5 and under 10	80,765
Holders of 10 and under 20	54,595
Holders of 20 and under 50	29,733
Holders of 50 and under 100	6,196
Holders of 100 and under 200	1,479
Holders of 200 and under 300	187
Holders of 300 and under 500	56
Holders of 500 and under 1,000	9
Holders of 1,000 and over	2
Aggregate Number of Slaveholders in the United States	347,525

It thus appears that there are in the United States, three hundred and forty-seven thousand five hundred and twenty-five slaveholders. But this appearance is deceptive. The actual number is certainly less than two hundred thousand. Professor De Bow, the Superintendent of the Census, informs us that "the number includes slave-hirers," and furthermore, that "where the party owns slaves in different counties, or in different States, he will be entered more than once." Now every Southerner, who has any practical knowledge of affairs, must know, and does know, that every New Year's day, like almost every other day, is desecrated in the South, by publicly hiring out slaves to large numbers of non-slaveholders. The slave-owners, who are the exclusive manufacturers of public sentiment, have popularized the dictum that white servants, decency, virtue, and justice, are unfashionable; and there are, we are sorry to say, nearly one hundred and sixty thousand non-slaveholding sycophants, who have subscribed to this false philosophy, and who are giving constant encouragement to the infamous practices of slave-holding and slave-breeding, by hiring at least one slave every year.

In the Southern States, as in all other slave countries, there are three odious classes of mankind; the slaves themselves, who are cowards; the slaveholders, who are tyrants; and the non-slaveholding slave-hirers, who are lickspittles. Whether either class is really entitled to the regards of a gentleman is a matter of grave doubt. The slaves are pitiable; the slaveholders are detestable; the slave-hirers are contemptible.

With the statistics at our command, it is impossible for us to ascertain the exact number of slave-

holders and non-slaveholding slave-hirers in the slave States; but we have data which will enable us to approach very near to the facts. The town from which we hail, Salisbury, the capital of Rowan county, North Carolina, contains about twenty-three hundred inhabitants, including three hundred and seventy-two slaves, fifty-one slaveholders, and forty-three non-slaveholding slave-hirers. Taking it for granted that this town furnishes a fair relative proportion of all the slaveholders, and non-slaveholding slave-hirers in the slave States, the whole number of the former, including those who have been "entered more than once," is one hundred and eighty-eight thousand five hundred and fifty-one; of the latter, one hundred and fifty-eight thousand nine hundred and seventy-four; and, now, estimating that there are in Maryland, Virginia, and other grain-growing States, an aggregate of two thousand slave-owners, who have cotton plantations *stocked* with negroes in the far South, and who have been "entered more than once," we find, as the result of our calculations, that the total number of actual slaveholders in the Union, is precisely one hundred and eighty-six thousand five hundred and fifty-one—as follows:

Number of actual slaveholders in the United States	186,551
Number "entered more than once"	2,000
Number of non-slaveholding slave-hirers	158,974
Aggregate number, acording to De Bow	347,525

The greater number of non-slaveholding slave-hirers, are a kind of third-rate aristocrats—persons who formerly owned slaves, but whom slavery, as is its custom, has dragged down to poverty, leaving them, in their false and shiftless pride, to eke out a miserable existence over the hapless chattels personal of other men.

So it seems that the total number of actual slave-owners, including their entire crew of cringing lickspittles, against whom we have to contend, is but three hundred and forty-seven thousand five hundred and twenty-five. Against this army for the defense and propagation of slavery, we think it will be an easy matter—independent of the negroes, who, in nine cases out of ten, would be delighted with an opportunity to cut their masters' throats, and without accepting of a single recruit from either of the free States, England, France or Germany—to muster one at least three times as large, and far more respectable for its utter extinction. We hope, however, and believe, that the matter in dispute may be adjusted without arraying these armies against each other in hostile attitude. We desire peace, not war—justice, not blood. Give us fair-play, secure to us the right of discussion, the freedom of speech, and we will settle the difficulty at the ballot-box, not on the battle-ground—by force of reason, not by force of arms. But we are wedded to one purpose from which no earthly power can ever divorce us. We are determined to abolish slavery at all hazards—in defiance of all the opposition, of whatever nature, which it is possible for the slavocrats to bring against us. Of this they may take due notice, and govern themselves accordingly.

Thus far, in giving expression to our sincere and settled opinions, we have endeavored to show, in the first place, that slavery is a great moral, social, civil, and political evil—a dire enemy to true wealth and national greatness, and an atrocious crime against both God and man; and, in the second place, that it is a paramount duty which we owe to heaven, to the earth, to America, to humanity, to our posterity, to our consciences, and to our pockets, to adopt effectual and judicious measures for its immediate abolition. The questions now arise, How can the evil be averted? What are the most prudent and practical means that can be devised for the abolition of slavery? In the solution of these problems it becomes necessary to deal with a multiplicity of stubborn realities. And yet, we can see no reason why North Carolina, in her sovereign capacity, may not, with equal ease and success, do what forty-five other States of the world have done within the last forty-five years. Nor do we believe any good reason exists why Virginia should not perform as great a deed in 1859 as did New-York in 1799. Massachusetts abolished slavery in 1780; would it not be a masterly stroke of policy in Tennessee, and every other slave State, to abolish it in or before 1860?

Not long since, a slavocrat, writing on this subject, said, apologetically, "we frankly admit that slavery is a monstrous evil; but what are we to do with an institution which has baffled the wisdom of our greatest statesmen?" Unfortunately for the South, since the days of Washington, Jefferson, Madison, and their ilustrious compatriots, she has never had more than half a dozen statesmen, all told; of mere politicians, wire-pullers, and slave-driving demagogues, she has had enough, and to spare; but of statesmen, in the true sense of the term, she has had, and now has, but precious few—fewer just at this time, perhaps, than ever before. It is far from a matter of surprise to us that slavery has, for such a long period, baffled the "wisdom" of the oligarchy; but our surprise is destined to culminate in amazement, if

the wisdom of the non-slaveholders does not soon baffle slavery.

From the eleventh year previous to the close of the eighteenth century down to the present moment, slaveholders and slave-breeders, who, to speak naked truth, are, as a general thing, unfit to occupy any honorable station in life, have, by chicanery and usurpation, wielded all the official power of the South; and, excepting the patriotic services of the noble abolitionists above-mentioned, the sole aim and drift of their legislation has been to aggrandize themselves, to strengthen slavery, and to keep the poor whites, the constitutional majority, bowed down in the deepest depths of degradation. We propose to subvert this entire system of oligarchal despotism. We think there should be *some* legislation for decent white men, not alone for negroes and slaveholders. Slavery lies at the root of all the shame, poverty, ignorance, tyranny and imbecility of the South; slavery must be thoroughly eradicated; let this be done, and a glorious future will await us.

The statesmen who are to abolish slavery in Kentucky, must be mainly and independently constituted by the non-slaveholders of Kentucky; so in every other slave State. Past experience has taught us the sheer folly of ever expecting voluntary justice from the slaveholders. Their illicit intercourse with "the mother of harlots" has been kept up so long, and their whole natures have, in consequence, become so depraved, that there is scarcely a spark of honor or magnanimity to be found amongst them. As well might one expect to hear highwaymen clamoring for a universal interdict against traveling, as to expect slaveholders to pass laws for the abolition of slavery. Under all the circumstances, it is the duty of the non-slaveholders to mark out an independent course for themselves, to steer entirely clear of the oligarchy, and to utterly contemn and ignore the many vile instruments of power, animate and inanimate, which have been so freely and so effectually used for their enslavement. Now is the time for them to assert their rights and liberties; never before was there such an appropriate period to strike for Freedom in the South.

Had it not been for the better sense, the purer patriotism, and the more practical justice of the non-slaveholders, the Middle States and New England would still be groaning and groveling under the ponderous burden of slavery; New-York would never have risen above the dishonorable level of Virginia; Pennsylvania, trampled beneath the iron-heel of the black code, would have remained the unprogressive parallel of Georgia; Massachusetts would have continued till the present time, and Heaven only knows how much longer, the contemptible coequal of South Carolina.

Succeeded by the happiest moral effects and the grandest physical results, we have seen slavery crushed beneath the wisdom of the non-slaveholding statesmen of the North; followed by corresponding influences and achievements, many of us who have not yet passed the meridian of life, are destined to see it equally crushed beneath the wisdom of the non-slaveholding Statesmen of the South. With righteous indignation, we enter our disclaimer against the base yet baseless admission that Louisiana and Texas are incapable of producing as great statesmen as Rhode Island and Connecticut. What has been done for New Jersey by the statesmen of New Jersey, can be done for North Carolina by the statesmen of North Carolina; the wisdom of the former State has abolished slavery; as sure as the earth revolves on its axis, the wisdom of the latter will not do less.

That our plan for the abolition of slavery, is the best that can be devised, we have not the vanity to contend; but that it is a good one, and will do to act upon until a better shall have been suggested, we do firmly and conscientiously believe. Though but little skilled in the delicate art of surgery, we have pretty thoroughly probed slavery, the frightful tumor on the body politic, and have, we think, ascertained the precise remedies requisite for a speedy and perfect cure. Possibly the less ardent friends of freedom may object to our prescription, on the ground that some of its ingredients are too griping, and that it will cost the patient a deal of most excruciating pain. But let them remember that the patient is exceedingly refractory, that the case is a desperate one, and that drastic remedies are indispensably necessary. When they shall have invented milder yet equally efficacious ones, it will be time enough to discontinue the use of ours—then no one will be readier than we to discard the infallible strong recipe for the infallible mild. Not at the persecution of a few thousand slaveholders, but at the restitution of natural rights and prerogatives to several millions of non-slaveholders, do we aim.

Inscribed on the banner, which we herewith unfurl to the world, with the full and fixed determination to stand by it or die by it, unless one of more virtuous efficacy shall be presented, are the mottoes which, in substance, embody the principles, as we conceive, that should govern us in our patriotic warfare against the most subtle and insidious foe that ever menaced the inalienable rights and liberties and dearest interests of America:

1st. Thorough Organization and Independent Political Action on the part of the Non-Slaveholding whites of the South.

2nd. Ineligibility of Slaveholders—Never another vote to the Trafficker in Human Flesh.

3rd. No Co-operation with Slaveholders in Politics—No Fellowship with them in Religion—No Affiliation with them in Society.

4th. No Patronage to Slaveholding Merchants—No Guestship in Slave-waiting Hotels—No Fees to Slaveholding Lawyers—No Employment of Slaveholding Physicians—No Audience to Slaveholding Parsons.

5th. No Recognition of Pro-slavery Men, except as Ruffians, Outlaws, and Criminals.

6th. Abrupt Discontinuance of Subscription to Pro-slavery Newspapers.

7th. The Greatest Possible Encouragement to Free White Labor.

8. No more Hiring of Slaves by Non-slaveholders.

9th. Immediate Death to Slavery, or if not immediate, unqualified Proscription of its Advocates during the Period of its Existence.

10th. A Tax of Sixty Dollars on every Slaveholder for each and every Negro in his Possession at the present time, or at any intermediate time between now and the 4th of July, 1863—said Money to be Applied to the transportation of the Blacks to Liberia, to their Colonization in Central or South America, or to their Comfortable Settlement within the Boundaries of the United States.

11th. An additional Tax of Forty Dollars per annum to be levied annually, on every Slaveholder for each and every Negro found in his possession after the 4th of July, 1863—said Money to be paid into the hands of the Negroes so held in Slavery, or, in cases of death, to their next of kin, and to be used by them at their own option.

. . . In our own humble way of thinking, we are frank to confess, we do not believe in the unity of the races. This is a matter, however, which has little or nothing to do with the great question at issue. Aside from any theory concerning the original parentage of the different races of men, facts, material and immaterial, palpable and impalpable—facts of the eyes and facts of the conscience—crowd around us on every hand, heaping proof upon proof, that slavery is a shame, a crime, and a curse—a great moral, social, civil, and political evil—an oppressive burden to the blacks, and an incalculable injury to the whites—a stumbling-block to the nation, an impediment to progress, a damper on all the nobler instincts, principles, aspirations and enterprises of man, and a dire enemy to every true interest.

Waiving all other counts, we have, we think, shown to the satisfaction of every impartial reader, that, as elsewhere stated, on the single score of damages to lands, the slaveholders are, at this moment, indebted to us, the non-slaveholding whites, in the enormous sum of nearly seventy-six hundred millions of dollars. What shall be done with this amount? It is just; shall payment be demanded? No; all the slaveholders in the country could not pay it; nor shall we ever ask them for even a moiety of the amount—no, not even for a dime, nor yet for a cent; we are willing to forfeit every farthing for the sake of freedom; for ourselves we ask no indemnification for the past: we only demand justice for the future.

But, Sirs, knights of bludgeons, chevaliers of bowie-knives and pistols, and lords of the lash, we are unwilling to allow you to swindle the slaves out of all the rights and claims to which, as human beings, they are most sacredly entitled. Not alone for ourself as an individual, but for others also—particularly for five or six millions of Southern non-slaveholding whites, whom your iniquitous statism has debarred from almost all the mental and material comforts of life—do we speak, when we say, you *must* emancipate your slaves, and pay each and every one of them at least sixty dollars cash in hand. By doing this, you will be restoring to them their natural rights, and remunerating them at the rate of less than twenty-six cents per annum for the long and cheerless period of their servitude, from the 20th of August, 1620, when, on James River, in Virginia, they became the unhappy slaves of heartless masters. Moreover, by doing this you will be performing but a simple act of justice to the non-slaveholding whites, upon whom the institution of slavery has weighed scarcely less heavily than upon the negroes themselves. You will also be applying a saving balm to your own outraged hearts and consciences, and your children—yourselves in fact—freed from the accursed stain of slavery, will become respectable, useful, and honorable members of society.

And now, Sirs, we have thus laid down our ultimatum. What are you going to do about it? Something dreadful, as a matter of course! Perhaps you will dissolve the Union *again*. Do it, if you dare! Our motto, and we would have you to understand it, is *the abolition of slavery, and the perpetuation of the American Union*. If, by any means, you do succeed in your treasonable attempts to take the South out of the Union to-day, we will bring her back to-morrow—if she goes away with you, she will return without you.

Do not mistake the meaning of the last clause of the last sentence; we could elucidate it so thoroughly that no intelligent person could fail to comprehend it; but, for reasons which may hereafter appear, we forego the task.

Henceforth there are other interests to be consulted in the South, aside from the interests of negroes and slaveholders. A profound sense of duty incites us to make the greatest possible efforts for the abolition of slavery; an equally profound sense of duty calls for a continuation of those efforts until the very last foe to freedom shall have been utterly vanquished. To the summons of the righteous monitor within, we shall endeavor to prove faithful; no opportunity for inflicting a mortal wound in the side of slavery shall be permitted to pass us unimproved. Thus, terror-engenderers of the South, have we fully and frankly defined our position; we have no modifications to propose, no compromises to offer, nothing to retract. Frown, Sirs, fret, foam, prepare your weapons, threat, strike, shoot, stab, bring on civil war, dissolve the Union, nay annihilate the solar system if you will—do all this, more, less, better, worse, anything—do what you will, Sirs, you can neither foil nor intimidate us; our purpose is as firmly fixed as the eternal pillars of Heaven; we have determined to abolish slavery, and, so help us God, abolish it we will! Take this to bed with you to-night, Sirs, and think about it, dream over it, and let us know how you feel to-morrow morning.

ABOLITIONISM

THE AMERICAN ANTISLAVERY movement was less the product of a specific social indignation than an outgrowth of the "evangelical revival" of the period 1810–30. Though deeply rooted in religious emotion, that revival stressed good works as a necessary concomitant of faith. In its wake spread interest in temperance, Sunday schools, foreign missions, and the work of home missionary societies which brought the Gospel to the frontier and the neglected areas of the expanding cities.

Revivalists like Charles Finney roused people to concern for their souls and their conduct; Congregational and Presbyterian ministers created churches to keep the souls thus found; and wealthy laymen like Arthur and Lewis Tappan provided much of the money needed to print tracts and maintain agents in the field.

Into ground prepared by two decades of evangelical preaching of the individual's moral responsibility for the conduct of others as well as himself, fell the germ of British agitation against the slave trade and slavery in the West Indies. If holding men in bondage was wrong in a British possession, it was equally wrong in the United States. Organizing to put an end to wrong was natural enough to people who had already joined together to promote temperance, Christian education and true piety. In this spirit, the American Anti-slavery Society was founded in 1833.

The following year brought the society its first great accession of strength. A lecture against slavery set the students of Lane Theological Seminary debating the issue, and that debate won the student body to the cause of abolition. When the Seminary's trustees ordered the debate ended, the students abandoned the school and quit Cincinnati. They were earnest young men, western New Yorkers in large part, and strongly influenced by Finney's preaching. Their enthusiasm carried Abolitionism through rural Ohio in a fashion far more effective than any tracts that anti-slavery men could send out from the East.

The lecturer who had given impetus to the cause was Theodore Dwight Weld (1803–1895), himself from western New York although his family was of Connecticut origin and related to the Dwights and Edwardses. Like other youths of the period, Weld injured his eyes by overclose attention to study and was forced to substitute lecturing for a regular education. After two years spent earning his living by teaching a system of mnemonics, Weld was converted by Finney's preaching and became one of the evangelist's co-workers. It was then that Weld returned to books. He

studied theology at the Oneida Institute, a manual-labor school where the students supported themselves while they learned. Lewis Tappan's two sons were at Oneida with Weld and through them Weld was drawn into the work of the Anti-slavery Society.

At a meeting of the society's agents in 1836, Weld met the Grimké sisters and saw how much they could aid the cause. You "are *southern* women," he wrote, "*once in law* slaveholders, your friends all slaveholders, etc., hence your testimony, testimony, TESTIMONY is the great desideratum," for the North will believe nothing so much as "the deliberate calm decided testimony of a southern man or woman in your circumstances; and the weight of the *testimony* would be very much increased if it be JOINT *testimony*." Weld coached Angelina Grimké as a lecturer, accordingly, and urged her and her sister Sarah to carry Abolitionism not only to groups of women but also to legislative committees and even mixed audiences.

In the forties, factionalism split the antislavery movement. Weld remained aloof from these dissensions, for he had found another means of bringing the question before the public. Though Congress had refused to receive petitions for the abolition of slavery in the District of Columbia, year after year such petitions were circulated and offered. Gathering signatures to these memorials had brought the slavery issue to the very doorsteps of Ohio and western New York and, through that intensive work, the antislavery movement acquired a flexible organization as well as the prestige inherent in the defense of so important a principle as the right of petition.

In 1841, the leaders of the petition campaign sent Weld to Washington where he served as ghost writer and maintainer of morale to the little group of antislavery men who formed a "knot of agitators" in the House of Representatives. The House effort to censure John Quincy Adams for offering a petition praying for the dissolution of the Union boomeranged under the counterattack of his relentless oratory; the members who feared discussion of the slavery issue were glad to silence him by tabling the resolution of censure.

But the attempt to smother Abolitionism by silence had failed. By 1843, the Whig party was too badly in need of Ohio votes to continue cooperation with the Democrats' policy. The House of Representatives had been made a sounding board for Abolitionists and the slavery debate had left the lecture room and pulpit for the halls of Congress.

The selections here reprinted are from G. H. Barnes and D. C. Dumond, editors, *Letters of Theodore Dwight Weld, Angelina Grimké Weld and Sarah Grimké* (2 vols., New York, 1934) and are published by permission of the American Historical Association.

The flames of Abolitionism were further fed by the Fugitive Slave Law controversy. The Constitution provided for the return of fugitive laborers and, in 1793, a law was passed to implement that provision. That law had not been effective even in the early nineteenth century. As sentiment against slavery matured people in Ohio, Pennsylvania, New Jersey, and New York enlisted themselves to aid fugitives attempting to pass northward from the slave states into freedom. They worked obscurely, in danger of betrayal sometimes, and, at the beginning, against the sentiments of their own communities.

So long as slavery was an institution recognized by the law and the Constitution, the slaveholder was entitled to recover his property. If existing legislation did not afford protection against the opinion of the communities to which slaves fled, then it stood in need of revision. That was Webster's opinion as he rose to answer Calhoun on March 7, 1850. That was the opinion of many conservative men who set their legal obligations above sentiment and abstract justice. Accordingly, they agreed with Webster when he supported the new Fugitive Slave Law of 1850. This provided for the return of slaves in summary fashion on the affidavit of the claimant. The fugitive's testimony was not to be accepted in his own defense and

once his ownership had been determined by affidavit, no other legal process might interfere with his recovery. The United States marshal was made liable for the slave's value if he should escape and any obstruction or arrest made the offender subject to a $1,000 fine. The federal commissioner himself was enlisted on the claimant's side, for his fee was $10 if the fugitive were returned to slavery and only $5 should he be declared free.

But the moving of fugitives north on what had come to be called the Underground Railroad did not cease. Slaves were brought north on foot and by steamboat; sometimes they were nailed into boxes; sometimes they were even driven in coaches by white coachmen hired with their own earnings. They were passed along from one "station" to the next. If the fugitive happened to halt at Philadelphia, he might come to William Still (1821–1902), Negro clerk in the office of the Philadelphia Anti-slavery Society. The city Abolitionists had united to form a Vigilance Committee, when the Fugitive Slave Law was passed, and Still was an important part of its work. The son of a slave who had bought his own freedom, he came to Philadelphia from a farm in the "piney woods" of New Jersey. He won the confidence of the Anti-slavery Society and his home became a station on the Underground. In 1850, he began to record the narratives of the arriving fugitives. Such a record was a dangerous possession, since it might bring the runaway's friends into the hands of the law; but Still continued the record because it might help reunite families separated by flight and sale.

The passages here reprinted are from Still's book, *Underground Rail-Road Records* (Philadelphia, 1886).

The Weld-Grimké Letters

WELD TO ANGELINA AND SARAH GRIMKÉ

New York, N. Y. July 22. 37
Saturday evening

My dear Sister Angelina

I have been in receipt of your letter five or six days. Should have answered it by return mail, but the most important members of the Executive Committee were out of town, and I have not been able to get a sight at the individual whom I wished most to see on the subject of your letter until nine o'clock tonight. *Seeing* them however has been with me a mere matter of course, in compliance with your request, and to relieve you of anxiety, and not because I had the least doubt as to their feelings on the subject referred. Your relation to the Executive Committee seems rather a relation of Christian kindness— a sort of *cooperative* relation recognizing harmony of views and feelings, with common labors, joys and trials in a common cause, rather than *authority* on the one hand and a *representative* agency on the other. In short the relation which you sustain to the Ex. Com. no more attaches their *sanction* to your public holdings-forth to promiscuous assemblies than it does to your "theeing and thouing" or to your tight crimped caps, seven by nine bonnets, or that impenetrable drab that defieth utterly all amalgamation of colors! If any gainsay your speaking in public and to *men*, they gainsay the *Quakers* and not the *abolitionists*. They fly in the face of a *denominational* tenet, not an *anti slavery* doctrine or *measure*. I mean *distinctively:* I would to God that every anti slavery woman in this land had heart and head and womanhood enough and leisure withal to preach as did the captive woman in the second century to the warriors of a vandal army and to a barbarian monarch and his court till savage royalty laid off its robes at the foot of the cross and a fierce soldiery relaxed and wept under the preaching of a woman. God give thee a mouth and wisdom to prophesy like the daughters of Philip, like Huldah and Deborah.

If the men wish to come, it is downright *slaveholding* to shut them out. *Slaveholders* undertake to say that *one* class of human beings shall not be profited by public ministrations. I pray you leave slaveholders "alone in their glory." If I should ever be in the vicinity of your meetings I shall act on the principle that he that hath ears to hear hath a right to *use* them; and if you undertake to stuff them with cotton or to barricade them with brick and mortar, we'll have just as much of a breeze about it as can be made at all consistent with "peace principles."

Why! folks talk about women's preaching as tho' it was next to highway robbery—eyes astare and mouth agape. Pity women were not born with

a split stick on their tongues! Ghostly dictums have fairly beaten it into the heads of the whole world save a fraction, that *mind is sexed*, and *Human rights* are *sex'd*, *moral obligation sex'd;* and to carry out the farce they'll probably beat up for a general match making and all turn in to pairing off in couples matrimonial, *consciences*, accountabilities, arguments, duties, philosophy, facts, and theories in the abstract. So much for the "March of mind," i.e. proxy-thinking, India rubber consciences, expediency, tom fooleries, with "whatsoever defileth and worketh abomination and maketh a lie." But enough of *this*.

Now for the scolding. Quarter! quarter! quarter!

1st. You say "On account of thy *neglect* in not having the extracts on slavery published for me at the right time," etc. *Not guilty*, say I. Avast there with your railing accusations. Ah, you haven't lived at the South for nothing. "Practice makes perfect." Wonder how long it would take me to get my hand in; quite certain I should be a dull scholar, tho' if I had *you* for teacher, rather think I should come up *fast*—perhaps make a prodigy.

2. That infinite distinction between the "rights" and the "wrongs" of woman, just exactly the difference between "*pencil marks*" and *pen* strokes. So then nothing but jet black will do for you. Well its a noble labor. I have strong predilections that way myself; think I should carry an *ink* bottle in my pocket if it would [not] put my temperance good name in jeopardy.

3. "Hypocritical pretence." Pretty good at "hard language" for a new beginner. True it might be a world harder but dont be discouraged. Children you know when learning to write are apt to keep their first strait marks to measure future progress by. Now suppose you keep up your spirits with the same recipe. I can assure you from experience you will find it very exhilirating.

Enough for a quarrel: now to *business*. The day that I received your letter I sent Wheelers Law of Slavery and divers other books and papers to you and Sarah, Care of Fuller, to be left at 25 Cornhill. Also a package of Convention documents from Julia. She will make you her own apology for not sending them before. She received your message from me the day of my arrival in the city. In the package you will find the Emancipator of the date you mention, also several others before and after. While passing from place to place you must expect that many things sent by mail will *miss* you. I suppose I never received more than half of my Emancipators when lecturing. Your letters to Catharine Beecher I like greatly, and yet I wish they were *better*. In the first letter the words *liberty*, freedom, and if I remember right some other terms are used *vaguely*. Liberty! What does it mean? Anything, everything. In common parlance you say "Every man has an inalienable right to *liberty*." That conveys no *definite* idea. It *may* mean any one of fifty things. In *discussion*, especially such a discussion demanding *accurate* analysis and *exact* definition presenting the naked *point*, every thing like a loose popular phraseology confuses. In the next letter you say "this principle of freedom is embedded in our very natures," or something like it. "Principle of freedom" if it had been FREEDOM *of principle* it would have been just about as definite. You speak of "slave-holding" as being "*the permanent exercise of the manstealing* POWER." The *power* of *man*stealing is the power of stealing *anything else*, the power of putting out the hand and of willing to do it, or anything equivalent. I presume you *meant* "slaveholding is the constant or habitual perpetration of the ACT of manstealing." To *make* a slave is *man stealing*—the *act itself;* to *hold* him such, is man stealing—the *habit*, the *permanent* state, made up of *individual* acts. In other words to BEGIN to hold a slave is *man*stealing; to *keep on* holding him is merely a *repetition* of the first act, doing the same identical thing *all the time*. A series of the same acts continued for a length of time is a *habit* or *permanent state*, and the first of this series of the *same* acts that make up this habit or state is *just like all the rest*. But I see I have no room to say a few other things about the letters that [I] want to.

Your allusion to the *long* time taken by C. E. B. to answer your appeal with a remark or two in conexion *looks* a little like *vanity*, as well as a sort of stoop to undignified *twitting*.

You talk about "throwing them from your pen." Well keep throwing, but take *true aim*, and so *hit* that they wont *bound back*. So you see I am at my old tricks of fault finding with you. Be patient. In this hollow world where even *most* of those who call themselves *friends* show it only by flattery, you will escape criticism *pretty much;* and even if mine should be unjust you can quickly *neutralize* them. A thousand things crowd upon me, but I have no room. Do take care of your *health* and may God give you his own sweet and ceaseless *communion*, better, better than life. Surely there is not need for me to say again to you and dear Sarah, call on me at all times for whatever I have or can do for you. Most affectionately your brother in Jesus T. D. Weld

ANGELINE GRIMKÉ TO WELD

Groton [Mass.] 8th Month 12. [1837]

My Dear Brother

No doubt thou hast heard by this time of all the fuss that is now making in this region about our stepping so far out of the bounds of female propriety as to lecture to promiscuous assemblies. My auditors literally sit some times with "mouths agape and eyes astare," so that I cannot help smiling in the midst of "rhetorical flourishes" to witness their perfect amazement at hearing a woman speak in the churches. I wish thou couldst see Brother Phelp's letter to us on this subject and sisters admirable reply. I suppose he will soon come out with a conscientious protest against us. I am waiting in some anxiety to see what the Executive Committee mean to do in these troublous times, whether to renounce us or not. But seriously speaking, we are placed very unexpectedly in a very trying situation, in the forefront of an entirely new contest—a contest for the *rights* of *woman* as a moral, intelligent and responsible being. Harriet Martineau says "God and man know that the time has not come for women to make their injuries even heard of": but it seems as tho' it had come *now* and that the exigency must be met with the firmness and faith of woman in by gone ages. I cannot help feeling some regret that this sh'ld have come up *before* the Anti Slavery question was settled, so fearful am I that it may injure that blessed cause, and then again I think this must be the Lord's time and therefore the *best* time, for it seems to have been brought about by a concatenation of circumstances over which we had no control. The fact is it involves the interests of every minister in our land and therefore they will stand almost in a solid phalanx against woman's rights and I am afraid the discussion of this question will divide in Jacob and scatter in Israel; it will also touch every man's interests at home, in the tenderest relation of life; it will go down into the very depths of his soul and cause great searchings of heart. I am glad H. Winslow of Boston has come out so boldly and told us just what I believe is in the hearts of thousands of men in our land. I must confess my womanhood is insulted, my moral feelings outraged when I reflect on these things, and I am sure *I know just* how the free colored people feel towards the whites when they pay them more than common attention; it is *not paid as a* RIGHT, but *given as a* BOUNTY on a *little* more than *ordinary* sense. There is not one man in 500 who really understands what kind of attention is alone acceptable to a woman of pure and exalted moral and intellectual worth. Hast thou read Sisters letters in the Spectator? I want thee to read them and let us know what thou thinkest of them. That a wife is *not* to be subject to her husband in any other sense than I am to her or she to me, seems to be strange and *alarming* doctrine indeed, but how can it be otherwise unless *she surrenders her moral responsibility*, which *no woman has a right* to do? I want to review H[ubbard] W[inslow]'s sermon and I think I would, if brother Wright or thyself could see it before it was published but you are so far off. WHO will stand by woman in the great struggle? As to our being Quakers being an *excuse* for our speaking in public, we do *not* stand on this ground at all; we ask *no* favors for ourselves, but *claim* rights for our *sex*. If it is wrong for woman to lecture or preach then let the Quakers give up their false views, and let other sects refuse to hear their women, but if it is *right* then let *all* women who have gifts, "mind their calling" and enjoy "the liberty wherewith Christ hath made them free," in that declaration of Paul, "in Christ Jesus there is neither male nor female." O! if in our intercourse with each other we realized this great truth, how delightful, ennobling and dignified it would be, but as I told the Moral Reform Society of Boston in my address, *this* reformation *must begin with ourselves.*

I thank thee for thy strictures on my letters to C. E. B[eecher], but should have thanked thee still more if *before* they were republished in the Emancipator thou hadst been so *kind a brother as to have corrected* them for me. *Didst* thou do as thou wouldst have been done by? I find thou wilt find out *my pride* in whatever form it appear, will keep a watch, for I have a *great deal* of it—so much that I should not like at all to see such "a *distinguished man*" as thyself at one of my lectures; and if *moral suasion* could keep thee out, I assure thee I would NOT let thee come in, unless I was in so *humble* a mood as to be ready for a close criticism on the matter and manner of my talk and gesture, etc. I did not like brother Stantons coming to two of our meetings, but did not know him well enough to beg him to keep away; as for thee, I should feel quite free to ask *thee* to do so. How dost thou think I felt at those great meetings in Lowell? 1500 city people in the blaze of a chandelier. Sister says that before I rose I looked as if I was saying to myself "the time has come and the sacrifice must be offered." Indeed I often feel in our meetings as if I was "as a lamb led to the slaughter," sometimes so sick before I rise that it seems impossible for me to speak 10 minutes; but the Lord is at my right hand, I lean on the arm of my beloved and he sustains me and

fills my mouth as soon as I open it in faith for the dumb. At times when I feel so miserable and little and incompetent I remember what thou told us about thy feelings before speaking and am really strengthened by thy experience.

I am afraid thou art not the only Northern man who thinks I have not lived at the South for nothing, for I do *scold most terribly* when I undertake to tell the brethren *how* the North is implicated in the guilt of slavery; they look at me in utter amazement. I am not at all surprized they are afraid lest such a woman should usurp authority over the men. The fact is, I *was* once a great scold and I am indebted to a *slave* for curing me of it. It was when I was quite a little girl and she shamed me and coaxed me out of the horrible practice by telling me very affectionately how ugly it was and promising to make me a doll and dress it like a soldier if I would give it up. She made the doll, I made the promise and believe [I have] kept it unbroken to this day so far as slaves were concerned. I think this woman did a great deal towards opening my childish heart to sympathize with these poor suffering bleeding ones. I thank the Lord for it; and to this time I remember that doll and her kind advice with feelings which bring tears into my eyes. We have been spending 10 days in this lovely little village at Dr. Farnsworth's and lecturing in the vicinity every other day for Sister has a troublesome little cough that just keeps her *good for nothing* brother Weld in the way of lecturing: she gets cold continually and I dont know what to do with her, sometimes wish she was safe in Phil'a for I think this climate must be injurious to her lungs; then again she says her *mind* has never got over one week of hard work when we first set off to hold meetings, so we are going to Brookline for *her* to rest. I am quite well, for I take good care of myself, for instance when I hold forth for 2 hours and ride 14 miles as I did yesterday, I retire at 8 Oclock and take a good rest, and then I am as strong as ever and ready to run over the hills in the morning.

I tho't thou promisedst to go to thy Fathers farm and hoe corn and potatoes. If Cornelia is not a very good Abolitionist I think *she* will certainly quarrel and scold about thy breach of promise, for I hear thou art poring over great musty volumes in the libraries of that miserable place N.Y. How does it agree with thy health?

Last but *not* least we thank thee *very* much for the books, papers, scraps, etc. which came safely to hand. I hope to study the Law book at brother Philbricks where we go on the 14th. Thanks too for that scratchification; some words NOT deciphered yet but as practice makes perfect, perhaps we shall learn in progress of time how to read *all* thy hieroglyphics. I enclose $10; pay thyself what we owe thee and keep the rest. We shall probably want other things from N.Y. Pay R. Williams $2 for the Emancipator I asked him to send to Elizabeth Pease of Eng. E. Wright I owe for some pamphlets G. Thom[p]son sent me to his care, and thyself for the binding of those books, and the law book.

14—Yesterday the sabbath, rode 12 miles to lecture at Roxboro, brother Cross having written us a pressing invitation to come and plead the cause of God's perishing poor in *his pulpit*. It so happened that yesterday was the only day we could do so before we left for Boston. Found his meeting crammed to overflowing. O! what a feeling, to see such a congregation waiting for the words that shall fall from MY unworthy lips. Thou knowest it dear brother, and can understand all about it *except that I am a woman*. I spoke an hour and a half and then stopped and took some refreshment with his family. He says J. Woodbury is against our womanhood and that as *all* the Congregational ministers except himself (about here I mean) are opposed, he expects to have to fight a battle at their next meeting; and that he means to throw down the gauntlet about women's preaching. We pointed out some texts he had not tho't of and tried to throw our views before his mind. May the Lord open his heart more and more on this subject and sustain him in the sore conflict he will have to wage, if he is faithful in pleading for womans essential rights. I have no doubt that posterity will read withal *women* were *not* permitted to preach the gospel, with as much amazement and indignation as we do that no *colored* man in No. Ca. is allowed this *holy right*. Now we want thee to sustain us on the high ground of MORAL RIGHT, *not* of Quaker peculiarity. This question must be met *now;* let us do it as *moral* beings, and not try to turn a SECTARIAN *peculiarity* to the best account for the benefit of Abolitionism. WE do not stand on Quaker ground, but on Bible ground and *moral right*. What we claim for ourselves, we claim for *every* woman whom God has called and qualified with gifts and graces. Can't *thou* stand *just here* side by side with us?

We have seen the last Emancipator and are satisfied. It *may* do to take such ground now but like the little city of Agar it *must* soon be abandoned for the munition of rocks high above the plain of Sectarianism. Mary Parker sent us word that the Boston women would stand by us if *every*

body else forsook us. A. Weston has been here with us and is very strong. She is a charming little woman. Farewell may the Lord speedily restore thee to health and prepare thee for the field again with a double portion of His holy spirit is the prayer of

Thy sister in the bonds of woman and the slave

A. E. Gé.

The Underground Railroad

BY WILLIAM STILL

ABRAM GALLOWAY AND RICHARD EDEN, TWO PASSENGERS SECRETED IN A VESSEL LOADED WITH SPIRITS OF TURPENTINE. SHROUDS PREPARED TO PREVENT BEING SMOKED TO DEATH

THE PHILADELPHIA branch of the Underground Rail Road was not fortunate in having very frequent arrivals from North Carolina. Of course such of her slave population as managed to become initiated in the mysteries of traveling North by the Underground Rail Road were sensible enough to find out nearer and safer routes than through Pennsylvania. Nevertheless the Vigilance Committee of Philadelphia occasionally had the pleasure of receiving some heroes who were worthy to be classed among the bravest of the brave, no matter who they may be who have claims to this distinction.

In proof of this bold assertion the two individuals whose names stand at the beginning of this chapter are presented. Abram was only twenty-one years of age, mulatto, five feet six inches high, intelligent and the picture of good health. "What was your master's name?" inquired a member of the Committee. "Milton Hawkins," answered Abram. "What business did Milton Hawkins follow?" again queried said member. "He was chief engineer on the Wilmington and Manchester Rail Road" (not a branch of the Underground Rail Road), responded Richard. "Describe him," said the member. "He was a slim built, tall man with whiskers. He was a man of very good disposition. I always belonged to him; he owned three. He always said he would sell before he would use a whip. His wife was a very mean woman; she would whip contrary to his orders." "Who was your father?" was further inquired. "John Wesley Galloway," was the prompt response. "Describe your father?" "He was captain of a government vessel; he recognized me as his son, and protected me as far as he was allowed so to do; he lived at Smithfield, North Carolina. Abram's master, Milton Hawkins, lived at Wilmington, N. C." "What prompted you to escape?" was next asked. "Because times were hard and I could not come up with my wages as I was required to do, so I thought I would try and do better." At this juncture Abram explained substantially in what sense times were hard, &c. In the first place he was not allowed to own himself; he, however, preferred hiring his time to serving in the usual way. This favor was granted Abram; but he was compelled to pay $15 per month for his time, besides finding himself in clothing, food, paying doctor bills, and a head tax of $15 a year.

Even under this master, who was a man of very good disposition, Abram was not contented. In the second place, he "always thought Slavery was wrong," although he had "never suffered any personal abuse." Toiling month after month the year round to support his master and not himself, was the one intolerable thought. Abram and Richard were intimate friends, and lived near each other. Being similarly situated, they could venture to communicate the secret feelings of their hearts to each other. Richard was four years older than Abram, with not quite so much Anglo-Saxon blood in his veins, but was equally as intelligent, and was by trade, a "fashionable barber," well-known to the ladies and gentlemen of Wilmington. Richard owed service to Mrs. Mary Loren, a widow. "She was very kind and tender to all her slaves." "If I was sick," said Richard, "she would treat me the same as a mother would." She was the owner of twenty, men, women and children, who were all hired out, except the children too young for hire. Besides having his food, clothing and doctor's expenses to meet, he had to pay the "very kind and tender-hearted widow" $12.50 per month, and head tax to the State, amounting to twenty-five cents per month. It so happened, that Richard at this time, was involved in a matrimonial difficulty. Contrary to the laws of North Carolina, he had lately married a free girl, which was an indictable offence, and for which the penalty was then in soak for him—said penalty to consist of thirty-nine lashes, and imprisonment at the discretion of the judge.

So Abram and Richard put their heads together, and resolved to try the Underground Rail Road.

They concluded that liberty was worth dying for, and that it was their duty to strike for Freedom even if it should cost them their lives. The next thing needed, was information about the Underground Rail Road. Before a great while the captain of a schooner turned up, from Wilmington, Delaware. Learning that his voyage extended to Philadelphia, they sought to find out whether this captain was true to Freedom. To ascertain this fact required no little address. It had to be done in such a way, that even the captain would not really understand what they were up to, should he be found untrue. In this instance, however, he was the right man in the right place, and very well understood his business.

Abram and Richard made arrangements with him to bring them away; they learned when the vessel would start, and that she was loaded with tar, rosin, and spirits of turpentine, amongst which the captain was to secrete them. But here came the difficulty. In order that slaves might not be secreted in vessels, the slave-holders of North Carolina had procured the enactment of a law requiring all vessels coming North to be smoked.

To escape this dilemma, the inventive genius of Abram and Richard soon devised a safe-guard against the smoke. This safe-guard consisted in silk oil cloth shrouds, made large, with drawing strings, which, when pulled over their heads, might be drawn very tightly around their waists, whilst the process of smoking might be in operation. A bladder of water and towels were provided, the latter to be wet and held to their nostrils, should there be need. In this manner they had determined to struggle against death for liberty. The hour approached for being at the wharf. At the appointed time they were on hand ready to go on the boat; the captain secreted them, according to agreement. They were ready to run the risk of being smoked to death; but as good luck would have it, the law was not carried into effect in this instance, so that the "smell of smoke was not upon them." The effect of the turpentine, however, of the nature of which they were totally ignorant, was worse, if possible, than the smoke would have been. The blood was literally drawn from them at every pore in frightful quantities. But as heroes of the bravest type they resolved to continue steadfast as long as a pulse continued to beat, and thus they finally conquered.

The invigorating northern air and the kind treatment of the Vigilance Committee acted like a charm upon them, and they improved very rapidly from their exhaustive and heavy loss of blood. Desiring to retain some memorial of them, a member of the Committee begged one of their silk shrouds, and likewise procured an artist to take the photograph of one of them; which keepsakes have been valued very highly. In the regular order of arrangements the wants of Abram and Richard were duly met by the Committee, financially and otherwise, and they were forwarded to Canada. After their safe arrival in Canada, Richard addressed a member of the Committee thus:

KINGSTON, July 20, 1857

MR. WILLIAM STILL—*Dear Friend:*—I take the opertunity of wrighting a few lines to let you no that we air all in good health hoping thos few lines may find you and your family engoying the same blessing. We arived in King all saft Canada West Abram Galway gos to work this morning at $1 75 per day and John pediford is at work for mr george mink and i will opne a shop for my self in a few days My wif will send a daugretipe to your cair whitch you will pleas to send on to me Richard Edons to the cair of George Mink Kingston C W

Yours with Respect, RICHARD EDONS

Abram, his comrade, allied himself faithfully to John Bull until Uncle Sam became involved in the contest with the rebels. In this hour of need Abram hastened back to North Carolina to help fight the battles of Freedom. How well he acted his part, we are not informed. We only know that, after the war was over, in the reconstruction of North Carolina, Abram was promoted to a seat in its Senate. He died in office only a few months since. The portrait is almost a "fac-simile."

ESCAPE OF JOHN HENRY HILL FROM THE SLAVE AUCTION IN RICHMOND, ON THE FIRST DAY OF JANUARY, 1853

JOHN HENRY at that time, was a little turned of twenty-five years of age, full six feet high, and remarkably well proportioned in every respect. He was rather of a brown color, with marked intellectual features. John was by trade, a carpenter, and was considered a competent workman. The year previous to his escape, he hired his time, for which he paid his owner $150. This amount John had fully settled up the last day of the year. As he was a young man of steady habits, a husband and father, and withal an ardent lover of Liberty; his owner, John Mitchell, evidently observed these traits in his character, and concluded that he was a dangerous piece of property to keep; that his worth in money could be more easily managed than the man. Consequently, his master unceremoniously, without intimating in any way to John, that he was to be sold, took him

to Richmond, on the first day of January (the great annual sale day), and directly to the slave-auction. Just as John was being taken into the building, he was invited to submit to hand-cuffs. As the thought flashed upon his mind that he was about to be sold on the auction-block, he grew terribly desperate. "Liberty or death" was the watchword of that awful moment. In the twinkling of an eye, he turned on his enemies, with his fist, knife, and feet, so tiger-like, that he actually put four or five men to flight, his master among the number. His enemies thus suddenly baffled, John wheeled, and, as if assisted by an angel, strange as it may appear, was soon out of sight of his pursuers, and securely hid away. This was the last hour of John Henry's slave life, but not, however, of his struggles and sufferings for freedom, for before a final chance to escape presented itself, nine months elapsed. The mystery as to where, and how he fared, the following account, in his own words, must explain—

Nine months I was trying to get away. I was secreted for a long time in a kitchen of a merchant near the corner of Franklyn and 7th streets, at Richmond, where I was well taken care of, by a lady friend of my mother. When I got Tired of staying in that place, I wrote myself a pass to pass myself to Petersburg, here I stopped with a very prominent Colored person, who was a friend to Freedom stayed here until two white friends told other friends if I was in the city to tell me to go at once, and stand not upon the order of going, because they had hard a plot. I wrot a pass, started for Richmond, Reached Manchester, got off the Cars walked into Richmond, once more got back into the same old Den, Stayed here from the 16th of Aug. to 12th Sept. On the 11th of Sept. 8 o'clock P. M. a message came to me that there had been a State Room taken on the steamer City of Richmond for my benefit, and I assured the party that it would be occupied if God be willing. Before 10 o'clock the next morning, on the 12th, a beautiful Sept. day, I arose early, wrote my pass for Norfolk left my old Den with a many a good bye, turned out the back way to 7th St., thence to Main, down Main behind 4 night waich to old Rockett's and after about 20 minutes of delay I succeed in Reaching the State Room. My Conductor was very much Excited, but I felt as Composed as I do at this moment, for I had started from my Den that morning for Liberty or for Death providing myself with a Brace of Pistels.

Yours truly J. H. HILL.

A private berth was procured for him on the steamship City of Richmond, for the amount of $125, and thus he was brought on safely to Philadelphia. While in the city, he enjoyed the hospitalities of the Vigilance Committee, and the greetings of a number of friends, during the several days of his sojourn. The thought of his wife, and two children, left in Petersburg, however, naturally caused him much anxiety. Fortunately, they were free, therefore, he was not without hope of getting them; moreover, his wife's father (Jack McCracy), was a free man, well known, and very well to do in the world, and would not be likely to see his daughter and grandchildren suffer. In this particular, Hill's lot was of a favorable character, compared with that of most slaves leaving their wives and children.

FIRST LETTER

ON ARRIVING IN CANADA

TORONTO, October 4th, 1853

DEAR SIR:—I take this method of informing you that I am well, and that I got to this city all safe and sound, though I did not get here as soon as I expect. I left your city on Saterday and I was on the way untel the Friday following. I got to New York the same day that I left Philadelphia, but I had to stay there untel Monday evening. I left that place at six o'clock. I got to Albany next morning in time to take the half past six o'clock train for Rochester, here I stay untel Wensday night. The reason I stay there so long Mr. Gibbs given me a letter to Mr Morris at Rochester. I left that place Wensday, but I only got five miles from that city that night. I got to Lewiston on Thurday afternoon, but too late for the boat to this city. I left Lewiston on Friday at one o'clock, got to this city at five. Sir I found this to be a very handsome city. I like it better than any city I ever saw. It are not as large as the city that you live in, but it is very large place much more so than I expect to find it. I seen the gentleman that you given me letter to. I think him much of a gentleman. I got into work on Monday. The man whom I am working for is name Myers; but I expect to go to work for another man by name of Tinsly, who is a master workman in this city. He says that he will give me work next week and everybody advises me to work for Mr. Tinsly as there more surity in him.

Mr. Still, I have been looking and looking for my friends for several days, but have not seen nor heard of them. I hope and trust in the Lord Almighty that all things are well with them. My dear sir I could feel so much better sattisfied if I could hear from my wife. Since I reached this city I have talagraphed to friend Brown to send

my thing to me, but I cannot hear a word from no one at all. I have written to Mr. Brown two or three times since I left the city. I trust that he has gotten my wife's letters, that is if she has written. Please direct your letters to me, near the corner Sarah and Edward street, until I give you further notice. You will tell friend B. how to direct his letters, as I forgotten it when I writt to him, and ask him if he has heard anything from Virginia. Please to let me hear from him without delay for my very soul is trubled about my friends whom I expected to of seen here before this hour. Whatever you do please to write. I shall look for you paper shortly.

Belive me sir to be your well wisher.

JOHN H. HILL.

SECOND LETTER

EXPRESSIONS OF GRATITUDE—THE CUSTOM HOUSE REFUSES TO CHARGE HIM DUTY—HE IS GREATLY CONCERNED FOR HIS WIFE

TORONTO, October 30th, 1853.

MY DEAR FRIEND:—I now write to inform you that I have received my things all safe and sound, and also have shuck hand with the friend that you send on to this place one of them is stopping with me. His name is Chas. Stuert, he seemes to be a tolerable smart fellow. I Rec'd my letters. I have taken this friend to see Mr. Smith. However will give him a place to board untell he can get to work. I shall do every thing I can for them all that I see the gentleman wish you to see his wife and let her know that he arrived safe, and present his love to her and to all the friend. Mr. Still, I am under ten thousand obligation to you for your kindness when shall I ever repay? S. speek very highly of you. I will state to you what Custom house master said to me. He ask me when he Presented my efects are these your efects. I answered yes. He then ask me was I going to settle in Canada. I told him I was. He then ask me of my case. I told all about it. He said I am happy to see you and all that will come. He ask me how much I had to pay for my Paper. I told him half dollar. He then told me that I should have my money again. He a Rose from his seat and got my money. So my friend you can see the people and tell them all this is a land of liberty and believe they will find friends here. My best love to all.

My friend I must call upon you once more to do more kindness for me that is to write to my wife as soon as you get this, and tell her when she gets ready to come she will pack and consign her things to you. You will give her some instruction, but not to your expenses but to her own.

When you write direct your letters to Phillip Ubank, Petersburg, Va. My Box arrived here the 27th.

My dear sir I am in a hurry to take this friend to church, so I must close by saying I am your humble servant in the cause of liberty and humanity.

JOHN H. HILL.

THE UNITED STATES AND THE WORLD

MANIFEST DESTINY

THE AGGRESSIVE EXPANSIONISM which Canning had found characteristic of the United States in the twenties did not break through her boundaries again until the annexation of Texas. From that date until the Civil War, the country's urge to expand found vent in war, conquest, filibustering, and orations on "manifest destiny."

That phrase became a catchword in 1846 during the debate on the Oregon boundary, when Robert Winthrop of Massachusetts told the House of Representatives that he would join the advocates of our "manifest destiny" to rule the Western Hemisphere on the day they showed him the clause in Father Adam's will which had made them that bequest. Winthrop's words soon became a slogan, but the phrase was not coined by him. It is to John L. O'Sullivan (1813–1895), editor of the *Democratic Review*, that Julius Pratt attributes the first use of the words, not in connection with the dispute over the Oregon boundary but in an article on Texas.

In that article, which appeared in the July–August, 1845, issue, O'Sullivan called for a halt to criticism of our annexation policy. Had we not done as we did, other nations might have interfered with our "manifest destiny" to overspread the continent. Contrary to present policy, we had not acted unjustly toward Mexico; unwisely perhaps, but never unrighteously.

Nor was annexation a proslavery measure. On the contrary, annexation would operate to draw slaves from the northern slave states to southern regions less opposed to a mingling of races. As for the opinion of other powers—the United States will soon outweigh them all in strength.

O'Sullivan called his article "Annexation." The selection here reprinted is from *The Democratic Review*.

Annexation

BY JOHN L. O'SULLIVAN

IT IS TIME now for opposition to the Annexation of Texas to cease, all further agitation of the waters of bitterness and strife, at least in connexion with this question,—even though it may perhaps be required of us as a necessary condition of the freedom of our institutions, that we must live on for ever in a state of unpausing struggle and excitement upon some subject of party division or other. But, in regard to Texas, enough has now been given to Party. It is time for the common duty of Patriotism to the Country to succeed;—or if this claim will not be recognized, it is at least time for common sense to acquiesce with decent grace in the inevitable and the irrevocable.

Texas is now ours. Already, before these words are written, her Convention has undoubtedly ratified the acceptance, by her Congress, of our proffered invitation into the Union; and made the requisite changes in her already republican form of constitution to adopt it to its future federal relations. Her star and her stripe may already be said to have taken their place in the glorious blazon of our common nationality; and the sweep of our eagle's wing already includes within its circuit the wide extent of her fair and fertile land. She is no

longer to us a mere geographical space—a certain combination of coast, plain, mountain, valley, forest and stream. She is no longer to us a mere country on the map. She comes within the dear and sacred designation of Our Country; no longer a "*pays*," she is a part of "*la patrie;*" and that which is at once a sentiment and a virtue, Patriotism, already begins to thrill for her too within the national heart. It is time then that all should cease to treat her as alien, and even adverse—cease to denounce and villify all and everything connected with her accession—cease to thwart and oppose the remaining steps for its consummation; or where such efforts are felt to be unavailing, at least to embitter the hour of reception by all the most ungracious frowns of aversion and words of unwelcome. There has been enough of all this. It has had its fitting day during the period when, in common with every other possible question of practical policy that can arise, it unfortunately became one of the leading topics of party division, of presidential electioneering. But that period has passed, and with it let its prejudices and its passions, its discords and its denunciations, pass away too. The next session of Congress will see the representatives of the new young State in their places in both our halls of national legislation, side by side with those of the old Thirteen. Let their reception into "the family" be frank, kindly, and cheerful, as befits such an occasion, as comports not less with our own self-respect than patriotic duty towards them. Ill betide those foul birds that delight to 'file their own nest, and disgust the ear with perpetual discord of ill-omened croak.

Why, were other reasoning wanting, in favor of now elevating this question of the reception of Texas into the Union, out of the lower region of our past party dissensions, up to its proper level of a high and broad nationality, it surely is to be found, found abundantly, in the manner in which other nations have undertaken to intrude themselves into it, between us and the proper parties to the case, in a spirit of hostile interference against us, for the avowed object of thwarting our policy and hampering our power, limiting our greatness and checking the fulfilment of our manifest destiny to overspread the continent allotted by Providence for the free development of our yearly multiplying millions. This we have seen done by England, our old rival and enemy; and by France, strangely coupled with her against us, under the influence of the Anglicism strongly tinging the policy of her present prime minister, Guizot. The zealous activity with which this effort to defeat us was pushed by the representatives of those governments, together with the character of intrigue accompanying it, fully constituted that case of foreign interference, which Mr. Clay himself declared should, and would unite us all in maintaining the common cause of our country against the foreigner and the foe. We are only astonished that this effect has not been more fully and strongly produced, and that the burst of indignation against this unauthorized, insolent and hostile interference against us, has not been more general even among the party before opposed to Annexation, and has not rallied the national spirit and national pride unanimously upon that policy. We are very sure that if Mr. Clay himself were now to add another letter to his former Texas correspondence, he would express this sentiment, and carry out the idea already strongly stated in one of them, in a manner which would tax all the powers of blushing belonging to some of his party adherents.

It is wholly untrue, and unjust to ourselves, the pretence that the Annexation has been a measure of spoliation, unrightful and unrighteous—of military conquest under forms of peace and law—of territorial aggrandizement at the expense of justice, and justice due by a double sanctity to the weak. This view of the question is wholly unfounded, and has been before so amply refuted in these pages, as well as in a thousand other modes, that we shall not again dwell upon it. The independence of Texas was complete and absolute. It was an independence, not only in fact but of right. No obligation of duty towards Mexico tended in the least degree to restrain our right to effect the desired recovery of the fair province once our own—whatever motives of policy might have prompted a more deferential consideration of her feelings and her pride, as involved in the question. If Texas became peopled with an American population, it was by no contrivance of our government, but on the express invitation of that of Mexico herself; accompanied with such guaranties of State independence, and the maintenance of a federal system analogous to our own, as constituted a compact fully justifying the strongest measures of redress on the part of those afterwards deceived in this guaranty, and sought to be enslaved under the yoke imposed by its violation. She was released, rightfully and absolutely released, from all Mexican allegiance, or duty of cohesion to the Mexican political body, by the acts and fault of Mexico herself, and Mexico alone. There never was a clearer case. It was not revolution; it was resistance to revolution; and resistance under such circumstances as left independence the necessary resulting state, caused by the abandonment of those with whom her former

federal association had existed. What then can be more preposterous than all this clamor by Mexico and the Mexican interest, against Annexation, as a violation of any rights of hers, any duties of ours?

We would not be understood as approving in all its features the expediency or propriety of the mode in which the measure, rightful and wise as it is in itself, has been carried into effect. Its history has been a sad tissue of diplomatic blundering. How much better it might have been managed—how much more smoothly, satisfactorily and successfully! Instead of our present relations with Mexico—instead of the serious risks which have been run, and those plausibilities of opprobrium which we have had to combat, not without great difficulty, nor with entire success—instead of the difficulties which now throng the path to a satisfactory settlement of all our unsettled questions with Mexico—Texas might, by a more judicious and conciliatory diplomacy, have been as securely in the Union as she is now—her boundaries defined—California probably ours—and Mexico and ourselves united by closer ties than ever; of mutual friendship, and mutual support in resistance to the intrusion of European interference in the affairs of the American republics. All this might have been, we little doubt, already secured, had counsels less violent, less rude, less one-sided, less eager in precipitation from motives widely foreign to the national question, presided over the earlier stages of its history. We cannot too deeply regret the mismanagement which has disfigured the history of this question; and especially the neglect of the means which would have been so easy, of satisfying even the unreasonable pretensions, and the excited pride and passion of Mexico. The singular result has been produced, that while our neighbor has, in truth, no real right to blame or complain—when all the wrong is on her side, and there has been on ours a degree of delay and forbearance, in deference to her pretensions, which is to be paralleled by few precedents in the history of other nations—we have yet laid ourselves open to a great deal of denunciation hard to repel, and impossible to silence; and all history will carry it down as a certain fact, that Mexico would have declared war against us, and would have waged it seriously, if she had not been prevented by that very weakness which should have constituted her best defence.

We plead guilty to a degree of sensitive annoyance—for the sake of the honor of our country, and its estimation in the public opinion of the world—which does not find even in satisfied conscience full consolation for the very necessity of seeking consolation there. And it is for this state of things that we hold responsible that gratuitous mismanagement—wholly apart from the main substantial rights and merits of the question, to which alone it is to be ascribed; and which had its origin in its earlier stages, before the accession of Mr. Calhoun to the department of State.

Nor is there any just foundation for the charge that Annexation is a great pro-slavery measure—calculated to increase and perpetuate that institution. Slavery had nothing to do with it. Opinions were and are greatly divided, both at the North and South, as to the influence to be exerted by it on Slavery and the Slave States. That it will tend to facilitate and hasten the disappearance of Slavery from all the northern tier of the present Slave States, cannot surely admit of serious question. The greater value in Texas of the slave labor now employed in those States, must soon produce the effect of draining off that labor southwardly, by the same unvarying law that bids water descend the slope that invites it. Every new Slave State in Texas will make at least one Free State from among those in which that institution now exists—to say nothing of those portions of Texas on which slavery cannot spring and grow—to say nothing of the far more rapid growth of new States in the free West and Northwest, as these fine regions are overspread by the emigration fast flowing over them from Europe, as well as from the Northern and Eastern States of the Union as it exists. On the other hand, it is undeniably much gained for the cause of the eventual voluntary abolition of slavery, that it should have been thus drained off towards the only outlet which appeared to furnish much probability of the ultimate disappearance of the negro race from our borders. The Spanish-Indian-American populations of Mexico, Central America and South America, afford the only receptacle capable of absorbing that race whenever we shall be prepared to slough it off—to emancipate it from slavery, and (simultaneously necessary) to remove it from the midst of our own. Themselves already of mixed and confused blood, and free from the "prejudices" which among us so insuperably forbid the social amalgamation which can alone elevate the Negro race out of a virtually servile degradation even though legally free, the regions occupied by those populations must strongly attract the black race in that direction; and as soon as the destined hour of emancipation shall arrive, will relieve the question of one of its worst difficulties, if not absolutely the greatest.

No—Mr. Clay was right when he declared that Annexation was a question with which slavery

had nothing to do. The country which was the subject of Annexation in this case, from its geographical position and relations, happens to be—or rather the portion of it now actually settled, happens to be—a slave country. But a similar process might have taken place in proximity to a different section of our Union; and indeed there is a great deal of Annexation yet to take place, within the life of the present generation, along the whole line of our northern border. Texas has been absorbed into the Union in the inevitable fulfilment of the general law which is rolling our population westward; the connexion of which with that ratio of growth in population which is destined within a hundred years to swell our numbers to the enormous population of *two hundred and fifty millions* (if not more), is too evident to leave us in doubt of the manifest design of Providence in regard to the occupation of this continent. It was disintegrated from Mexico in the natural course of events, by a process perfectly legitimate on its own part, blameless on ours; and in which all the censures due to wrong, perfidy and folly, rest on Mexico alone. And possessed as it was by a population which was in truth but a colonial detachment from our own, and which was still bound by myriad ties of the very heart-strings to its old relations, domestic and political, their incorporation into the Union was not only inevitable, but the most natural, right and proper thing in the world—and it is only astonishing that there should be any among ourselves to say it nay.

In respect to the institution of slavery itself, we have not designed, in what has been said above, to express any judgment of its merits or demerits, *pro* or *con*. National in its character and aims, this Review abstains from the discussion of a topic pregnant with embarrassment and danger—intricate and double-sided—exciting and embittering—and necessarily excluded from a work circulating equally in the South as in the North. It is unquestionably one of the most difficult of the various social problems which at the present day so deeply agitate the thoughts of the civilized world. Is the negro race, or is it not, of equal attributes and capacities with our own? Can they, on a large scale, coexist side by side in the same country on a footing of civil and social equality with the white race? In a free competition of labor with the latter, will they or will they not be ground down to a degradation and misery worse than slavery? When we view the condition of the operative masses of the population in England and other European countries, and feel all the difficulties of the great problem, of the distribution of the fruits of production between capital, skill and labor, can our confidence be undoubting that in the present condition of society, the conferring of sudden freedom upon our negro race would be a boon to be grateful for? Is it certain that competitive wages are very much better, for a race so situated, than guarantied support and protection? Until a still deeper problem shall have been solved than that of slavery, the slavery of an inferior to a superior race—a relation reciprocal in certain important duties and obligations—is it certain that the cause of true wisdom and philanthropy is not rather, for the present, to aim to meliorate that institution as it exists, to guard against its abuses, to mitigate its evils, to modify it when it may contravene sacred principles and rights of humanity, by prohibiting the separation of families, excessive severities, subjection to the licentiousness of mastership, &c.? Great as may be its present evils, is it certain that we would not plunge the unhappy Helot race which has been entailed upon us, into still greater ones, by surrendering their fate into the rash hands of those fanatic zealots of a single idea, who claim to be their special friends and champions? Many of the most ardent social reformers of the present day are looking towards the idea of *Associated Industry* as containing the germ of such a regeneration of society as will relieve its masses from the hideous weight of evil which now depresses and degrades them to a condition which these reformers often describe as no improvement upon any form of legal slavery—is it certain, then, that the institution in question—as a mode of society, as a relation between the two races, and between capital and labor,—does not contain some dim undeveloped germ of that very principle of reform thus aimed at, out of which proceeds some compensation at least for its other evils, making it the duty of true reform to cultivate and develope the good, and remove the evils?

To all these, and the similar questions which spring out of any intelligent reflection on the subject, we attempt no answer. Strong as are our sympathies in behalf of liberty, universal liberty, in all applications of the principle not forbidden by great and manifest evils, we confess ourselves not prepared with any satisfactory solution to the great problem of which these questions present various aspects. Far from us to say that either of the antagonist fanaticisms to be found on either side of the Potomac is right. Profoundly embarrassed amidst the conflicting elements entering into the question, much and anxious reflection upon it brings us as yet to no other conclusion than to the duty of a liberal tolerance of the honest differences of both sides; together with the

certainty that whatever good is to be done in the case is to be done only by the adoption of very different modes of action, prompted by a very different spirit, from those which have thus far, among us, characterized the labors of most of those who claim the peculiar title of "friends of the slave" and "champions of the rights of man." With no friendship for slavery, though unprepared to excommunicate to eternal damnation, with bell, book, and candle, those who are, we see nothing in the bearing of the Annexation of Texas on that institution to awaken a doubt of the wisdom of that measure, or a compunction for the humble part contributed by us towards its consummation.

California will, probably, next fall away from the loose adhesion which, in such a country as Mexico, holds a remote province in a slight equivocal kind of dependence on the metropolis. Imbecile and distracted, Mexico never can exert any real governmental authority over such a country. The impotence of the one and the distance of the other, must make the relation one of virtual independence; unless, by stunting the province of all natural growth, and forbidding that immigration which can alone develope its capabilities and fulfil the purposes of its creation, tyranny may retain a military dominion which is no government in the legitimate sense of the term. In the case of California this is now impossible. The Anglo-Saxon foot is already on its borders. Already the advance guard of the irresistible army of Anglo-Saxon emigration has begun to pour down upon it, armed with the plough and the rifle, and marking its trail with schools and colleges, courts and representative halls, mills and meeting-houses. A population will soon be in actual occupation of California, over which it will be idle for Mexico to dream of dominion. They will necessarily become independent. All this without agency of our government, without responsibility of our people —in the natural flow of events, the spontaneous working of principles, and the adaptation of the tendencies and wants of the human race to the elemental circumstances in the midst of which they find themselves placed. And they will have a right to independence—to self-government—to the possession of the homes conquered from the wilderness by their own labors and dangers, sufferings and sacrifices—a better and a truer right than the artificial title of sovereignty in Mexico a thousand miles distant, inheriting from Spain a title good only against those who have none better. Their right to independence will be the natural right of self-government belonging to any community strong enough to maintain it—distinct in position, origin and character, and free from any mutual obligations of membership of a common political body, binding it to others by the duty of loyalty and compact of public faith. This will be their title to independence; and by this title, there can be no doubt that the population now fast streaming down upon California will both assert and maintain that independence. Whether they will then attach themselves to our Union or not, is not to be predicted with any certainty. Unless the projected rail-road across the continent to the Pacific be carried into effect, perhaps they may not; though even in that case, the day is not distant when the Empires of the Atlantic and Pacific would again flow together into one, as soon as their inland border should approach each other. But that great work, colossal as appears the plan on its first suggestion, cannot remain long unbuilt. Its necessity for this very purpose of binding and holding together in its iron clasp our fast settling Pacific region with that of the Mississippi valley—the natural facility of the route—the ease with which any amount of labor for the construction can be drawn in from the overcrowded populations of Europe, to be paid in the lands made valuable by the progress of the work itself—and its immense utility to the commerce of the world with the whole eastern coast of Asia, alone almost sufficient for the support of such a road—these considerations give assurance that the day cannot be distant which shall witness the conveyance of the representatives from Oregon and California to Washington within less time than a few years ago was devoted to a similar journey by those from Ohio; while the magnetic telegraph will enable the editors of the "San Francisco Union," the "Astoria Evening Post," or the "Nootka Morning News" to set up in type the first half of the President's Inaugural, before the echoes of the latter half shall have died away beneath the lofty porch of the Capitol, as spoken from his lips.

Away, then, with all idle French talk of *balances of power* on the American Continent. There is no growth in Spanish America! Whatever progress of population there may be in the British Canadas, is only for their own early severance of their present colonial relation to the little island three thousand miles across the Atlantic; soon to be followed by Annexation, and destined to swell the still accumulating momentum of our progress. And whatsoever may hold the balance, though they should cast into the opposite scale all the bayonets and cannon, not only of France and England, but of Europe entire, how would it kick the beam against the simple solid weight of

the two hundred and fifty or three hundred millions—and American millions—destined to gather beneath the flutter of the stripes and stars, in the fast hastening year of the Lord 1945?

THE OPENING OF JAPAN

AMERICA'S PRESSURE on her borders was not limited to the Western Hemisphere. Though the United States did not seek to extend its physical conquest beyond the continental domain, it was anxious to expand its commercial activities in the Pacific. American trade with China, which had begun almost as soon as her independence was recognized, increased after 1815 and again when the Opium War of 1839–42 opened more of China to foreign enterprise. Commercial interest and the hardships of American whalers wrecked off the Japanese islands wakened America's desire to penetrate the kingdom. Naval officers had attempted to touch at Yedo and Nagasaki in 1846, but their ships were driven off. The discovery of gold in California, the increase in steamship traffic, which made coaling stations a necessity, and the growth of trade between San Francisco and Shanghai all turned American attention to the "hermit nation" of Japan which lay on the main route between the west and China. The failure of 1846 was repeated in 1851 when another American naval officer was denied entrance to Japanese ports.

By 1852–53, when Perry's expedition sailed, a more militant American policy had developed. The Dutch in their Nagasaki compound —the one spot to which the Japanese had permitted European access since 1641 when all foreigners had been driven from the kingdom —warned the Japanese that the United States was an aggressive nation and that Perry might not be completely peaceable in his purpose.

Matthew Calbraith Perry (1794–1858) entered the navy as a midshipman fifteen years after his birth at Newport, Rhode Island. He fought in the early years of the War of 1812, helped establish Liberia in 1820, visited revolutionary Greece and Turkish Asia Minor in 1826, and then returned to shore duty. From 1833 to 1843, Perry was in command of the New York navy yard, a post that permitted him to pioneer in the new naval techniques necessitated by the introduction of steam. When an expedition against Japan was decided on, Perry, with his experience in war, in naval technology and in dealing with foreign peoples, was a logical choice as commander.

Perry's instructions (the first two documents printed here) were largely drafted by himself. He was to make the Japanese understand the difference between the United States and England and to stress our disinterested tolerance in religious matters as a means of securing his desires without the use of force. But his main effort was to obtain protection for shipwrecked American seamen, to get a coaling station, and to win permission for Americans to trade in Japan.

Perry took a squadron of six ships—they were steam vessels and carried heavy armament of guns—and set out for the Far East. He sailed into Japanese waters with four of these ships; refused to go to Nagasaki to treat with the Dutch; and insisted on delivering the President's letters directly to the Shogun's court. Perry retired then with the announcement that he would return for a reply in the spring.

While Perry was negotiating, Russian and French squadrons sailed into the Western Pacific and the Russian admiral even proposed joint action to the American commodore. Perry, whose views are made clear by his instructions and his later letter suggesting American occupation of a Japanese island as a free port, refused that offer. The presence of foreign navies hastened Perry's return. In February, 1854, he dropped anchor in Yedo Bay and demanded audience with the Mikado, or the Shogun in his stead. Perry accepted the village of Yokohama instead of the city of Yedo as the locale for treaty parleys, however,

and in March, after an exchange of gifts and banquets, he secured a treaty. This opened two Japanese ports to foreigners and assured decent treatment of shipwrecked American sailors. If necessary, trade agreements and a consular convention might be concluded later, but in any case the United States was to have commercial privileges equal to those granted the most favored nation in the future.

These selections are reprinted from Senate Executive Document No. 34, 33d Congress, 2d Session (Washington, 1855).

Correspondence Relative to the Naval Expedition to Japan

BY MATTHEW C. PERRY

SECRETARY OF THE NAVY TO COMMODORE PERRY

United States Navy Department
Washington, November 13, 1852

SIR: So soon as the steam frigate Mississippi shall be in all respects ready for sea, you will proceed in her, accompanied by the steamer Princeton, to Macao, or Hong Kong, in China, where the vessels of your command will rendezvous. You will touch at such ports on your passage out as you may deem necessary for supplies, &c.

It has been deemed necessary to increase the naval force of the United States in the East India and China seas, for reasons which will be found in the enclosed copy of a communication from the Secretary of State addressed to this department under date of November, 1852.

The force at present there consists of the steam frigate Susquehanna, Commander Buchanan, sloop Plymouth, Commander Kelly, and sloop Saratoga, Commander Walker. The store ship Supply, Lieutenant Commanding Sinclair, is on her passage to that station. There will be added to this force, at the earliest day practicable, the ship-of-the-line Vermont, Captain Paulding; the steam frigate Mississippi, Captain McCluney; the corvette Macedonian, Captain Abbot; the steamer Princeton, Commander Lee; the steamer Alleghany, Commander Sands; the sloop Vandalia, Commander Pope; and the store-ship Southhampton, Lieutenant Commanding Boyle.

With this you will receive a copy of the general instructions given to Commodore John H. Aulick, recently in command of the East India squadron, which you will consider as in full force and applicable to your command. You will also receive herewith copies of other orders addressed to Commodore Aulick, which may require your attention after you reach your station.

The special mission to Japan with which you have been charged by the government will require all your firmness and prudence, in respect to which the department entertains the fullest confidence that they will be adequate for any emergency.

In prosecuting the object of your mission to Japan you are invested with large discretionary powers, and you are authorized to employ dispatch vessels, interpreters, Kroomen or natives, and all other means which you may deem necessary to enable you to bring about the desired results. The suggestions contained in the accompanying letter from the Secretary of State to this department you will consider as your guide, and follow as the instructions of the government.[1] You will confer with the commissioner of the United States to China as to the course most advisable for you to pursue to give weight to his demands upon the Chinese government for the settlement of claims of citizens of the United States against that government.

Your attention is particularly invited to the exploration of the coasts of Japan and of the adjacent continent and islands. You will cause linear or perspective views to be made of remarkable places, soundings to be taken at the entrances of harbors, rivers, &c., in and near shoals, and collect all the hydrographical information necessary for the construction of charts. You will be careful to collect from every reliable source, and particularly from our consular or commercial agents, all the information you can of the social, political, and commercial condition of the countries and places you may visit, especially of new objects of commercial pursuits. To these ends you will call into activity all the various talents and acquisitions of the officers under your command. The results of such labors and of all such researches you will communicate to the department as often and as complete as practicable.

What events will transpire during your absence time alone can develope. The utmost caution and vigilance are enjoined upon all under your command.

The act of March 2, 1837, "To provide for the enlistment of boys for the naval service, and to

[1] The letter immediately follows the selection.

extend the term of enlistment of seamen," section 2 provides, "That when the time of service of any person enlisted for the navy shall expire while he is on board any of the public vessels of the United States employed on foreign service, it shall be the duty of the commanding officer of the fleet, squadron, or vessel, in which such person may be, to send him to the United States in some public or other vessel, unless his detention shall be essential to the public interests, in which case the said officer may detain him until the vessel in which he shall be serving shall return to the United States," &c.; and section 3 of the same act provides, "That such persons as may be detained after the expiration of their enlistment, under the next preceding section of this act, shall be subject in all respects to the laws and regulations for the government of the navy, until their return to the United States; and all such persons as shall be so detained, and all such as shall voluntarily re-enlist, to serve until the return of the vessel in which they shall be serving, and their regular discharge therefrom in the United States, shall, while so detained, and while so serving under their re-enlistment, receive an addition of one-fourth to their former pay." You will, therefore, should it be essential to the public interests, exercise the power conferred by the act above cited; or should it be found practicable, by new enlistments on the coasts you may visit, to keep up the complements of your vessels, you will send to the United States all persons whose times of service may expire during your cruise. You will, however, in all such cases, be governed by the exigencies of the service.

A subject of great importance to the success of the expedition will present itself to your mind, in relation to communications to the prints and newspapers, touching the movements of your squadron, as well as in relation to all matters connected with the discipline and internal regulations of the vessels composing it. You will, therefore, enjoin upon all under your command to abstain from writing to friends or others upon those subjects. The journals and private notes of the officers and other persons in the expedition must be considered as belonging to the government, until permission shall be received from the Navy Department to publish them.

For any supplies that you may need you will address yourself seasonably to the chief of the appropriate bureau, or take such measures to procure them as will best subserve the objects of your cruise.

Before sailing, you will cause to be sent to the department correct muster-rolls of both vessels, conformably to the 29th article of the act for the better government of the navy of the United States, approved April 23, 1800.

Tendering my best wishes for a successful cruise, and a safe return to your country and friends, for yourself, officers, and the companies of your ships, I am, very respectfully, your obedient servant.

John P. Kennedy.

Commodore M. C. Perry,
Appointed to command of the U. S. squadron in the East India and China seas, Norfolk, Va.

Mr. Conrad to Mr. Kennedy

Department of State
Washington, November 5, 1852

Sir: As the squadron destined for Japan will shortly be prepared to sail, I am directed by the President to explain the objects of the expedition, and to give some general directions as to the mode by which those objects are to be accomplished.

Since the islands of Japan were first visited by European nations, efforts have constantly been made by the various maritime powers to establish commercial intercourse with a country whose large population and reputed wealth held out great temptations to mercantile enterprise. Portugal was the first to make the attempt, and her example was followed by Holland, England, Spain, and Russia; and finally by the United States. All these attempts, however, have thus far been unsuccessful; the permission enjoyed for a short period by the Portuguese to trade with the islands, and that granted to Holland to send annually a single vessel to the port of Nagasaki, hardly deserving to be considered exceptions to this remark.

China is the only country which carries on any considerable trade with these islands.

So rigorously is this system of exclusion carried out, that foreign vessels are not permitted to enter their ports in distress, or even to do an act of kindness to their own people. In 1831, a Japanese junk was blown out to sea, and, after drifting about for several months, was cast ashore near the mouth of the Columbia river, in Oregon. An American ship, the Morrison, undertook to carry the survivors of the crew back to their country, but, on reaching the bay of Yedo, she was fired into from the neighboring shore. She repaired to another part of the island and attempted to land, but meeting with the same reception there, she returned to America with the Japanese on board.

When vessels are wrecked or driven ashore on the islands their crews are subjected to the most cruel treatment. Two instances of this have recently occurred. In the year 1846, two American whaling ships, the Lagoda and the Lawrence, hav-

ing been wrecked on the island of Niphon, their crews were captured and treated with great barbarity, and it is believed that their lives were spared only through the intercession of the Dutch governor of Nagasaki.

Every nation has undoubtedly the right to determine for itself the extent to which it will hold intercourse with other nations. The same law of nations, however, which protects a nation in the exercise of this right imposes upon her certain duties which she cannot justly disregard. Among these duties none is more imperative than that which requires her to succor and relieve those persons who are cast by the perils of the ocean upon her shores. This duty is, it is true, among those that are denominated by writers on public law imperfect, and which confer no right on other nations to exact their performance; nevertheless, if a nation not only habitually and systematically disregards it, but treats such unfortunate persons as if they were the most atrocious criminals, such nations may justly be considered as the common enemy of mankind.

That the civilized nations of the world should for ages have submitted to such treatment by a weak and semi-barbarous people, can only be accounted for on the supposition that, from the remoteness of the country, instances of such treatment were of rare occurrence, and the difficulty of chastising it very great. It can hardly be doubted that if Japan were situated as near the continent of Europe or of America as it is to that of Asia, its government would long since have been either treated as barbarians, or been compelled to respect those usages of civilized states of which it receives the protection.

This government has made two attempts to establish commercial intercourse with Japan. In the year 1832, a Mr. Roberts was appointed a special agent of the government, with authority to negotiate treaties with sundry nations in the east, and among others with Japan, but he died before he arrived at the island.

In 1845, Commodore Biddle was sent with two vessels of war to visit Japan and ascertain whether its ports were accessible. He was cautioned, however, "not to excite a hostile feeling, or a distrust of the government of the United States."

He proceeded to Yedo, but was told that the Japanese could trade with no foreign nations except the Dutch and Chinese, and was peremptorily ordered to leave the island and never to return to it. A personal indignity was even offered to Commodore Biddle, and it is not improbable that the barbarity which a short time afterwards was practised by these people towards the crew of the Lagoda, may have been in part occasioned by the forbearance which that excellent officer felt himself bound under his instructions to exercise towards them.

Recent events—the navigation of the ocean by steam, the acquisition and rapid settlement by this country of a vast territory on the Pacific, the discovery of gold in that region, the rapid communication established across the isthmus which separates the two oceans—have practically brought the countries of the east in closer proximity to our own; although the consequences of these events have scarcely begun to be felt, the intercourse between them has already greatly increased, and no limits can be assigned to its future extension.

The duty of protecting those American citizens who navigate those seas is one that can no longer be deferred. In the year 1851, instructions were accordingly given to Commodore Aulick, then commanding our naval forces in the East Indies, to open a negotiation with the government of Japan. It is believed that nothing has been done under these instructions, and the powers conferred on Commodore Aulick are considered as superseded by those now given to Commodore Perry.

The objects sought by this government are—

1. To effect some permanent arrangement for the protection of American seamen and property wrecked on these islands, or driven into their ports by stress of weather.

2. The permission to American vessels to enter one or more of their ports in order to obtain supplies of provisions, water, fuel, &c., or, in case of disasters, to refit so as to enable them to prosecute their voyage.

It is very desirable to have permission to establish a depot for coal, if not on one of the principal islands, at least on some small uninhabited one, of which, it is said, there are several in their vicinity.

3. The permission to our vessels to enter one or more of their ports for the purpose of disposing of their cargoes by sale or barter.

As this government has no right to make treaties for, or to redress the grievances of, other nations, whatever concessions may be obtained on either of the above points, need not, of course, apply in terms to the inhabitants or vessels of any other nation. This government, however, does not seek by this expedition to obtain any exclusive commercial advantage for itself, but, on the contrary, desires and expects that whatever benefits may result from it will ultimately be shared by the civilized world. As there can be no doubt that if the ports of the country are once opened to one

nation they would soon be opened to all. It is believed, that for reasons hereinafter mentioned, any reference in your negotiations to the wrongs or claims of other nations, so far from promoting this object, would tend to defeat it.

The next question is, how are the above mentioned objects to be attained?

It is manifest, from past experience, that arguments or persuasion addressed to this people, unless they be seconded by some imposing manifestation of power, will be utterly unavailing.

You will, therefore, be pleased to direct the commander of the squadron to proceed, with his whole force, to such point on the coast of Japan as he may deem most advisable, and there endeavor to open a communication with the government, and, if possible, to see the emperor in person, and deliver to him the letter of introduction from the President with which he is charged. He will state that he has been sent across the ocean by the President to deliver that letter to the emperor, and to communicate with his government on matters of importance to the two countries. That the President entertains the most friendly feeling towards Japan, but has been surprised and grieved to learn, that when any of the people of the United States go, of their own accord, or are thrown by the perils of the sea within the dominions of the emperor, they are treated as if they were his worst enemies. He will refer particularly to the cases of the ships Morrison, Lagoda, and Lawrence, above mentioned.

He will inform him of the usages of this country, and of all Christian countries, in regard to shipwrecked persons and vessels, and will refer to the case of the Japanese subjects who were recently picked up at sea in distress and carried to California, from whence they have been sent to their own country; and will state that this government desires to obtain from that of Japan some positive assurance, that persons who may hereafter be shipwrecked on the coast of Japan, or driven by stress of weather into her ports, shall be treated with humanity; and to make arrangements for a more extended commercial intercourse between the two countries. The establishment of this intercourse will be found a difficult, but, perhaps, not an impossible task.

The deep-seated aversion of this people to hold intercourse with Christian nations is said to be owing chiefly to the indiscreet zeal with which the early missionaries, particularly those of Portugal, endeavored to propagate their religion. The commodore will therefore say, that the government of this country, unlike those of every other Christian country, does not interfere with the religion of its own people, much less with that of other nations. It seems that the fears or the prejudices of the Japanese are very much excited against the English, of whose conquests in the east, and recent invasion of China, they have probably heard. As the Americans speak the same language as the English, it is natural that they should confound citizens of the United States with British subjects. Indeed, their barbarous treatment of the crews of the vessels above referred to was partly occasioned by the suspicion that they were really English.—(See the statement of the crew of the Lagoda.)

Comodore Perry will, therefore, explain to them that the United States are connected with no government in Europe. That they inhabit a great country which lies directly between them and Europe, and which was discovered by the nations of Europe about the same time that Japan herself was first visited by them; that the portion of this continent lying nearest to Europe was first settled by emigrants from that country, but that its population has rapidly spread through the country until it has reached the Pacific ocean. That we have now large cities from which, with the aid of steam, Japan can be reached in twenty days. That our commerce with all that portion of the globe is, therefore, rapidly increasing, and that part of the ocean will soon be covered with our vessels. That, therefore, as the United States and Japan are becoming every day nearer and nearer to each other, the President desires to live in peace and friendship with the emperor; but that no friendship can long exist between them unless Japan should change her policy and cease to act towards the people of this country as if they were her enemies. That, however wise this policy may originally have been, it is unwise and impracticable now that intercourse between the two countries is so much more easy and rapid than it formerly was.

If, after having exhausted every argument and every means of persuasion, the commodore should fail to obtain from the government any relaxation of their system of exclusion, or even any assurance of humane treatment of our shipwrecked seamen, he will then change his tone, and inform them in the most unequivocal terms that it is the determination of this government to insist, that hereafter all citizens or vessels of the United States that may be wrecked on their coasts, or driven by stress of weather into their harbors shall, so long as they are compelled to remain there, be treated with humanity; and that if any acts of cruelty should hereafter be practised upon citizens of this country, whether by the government or by the in-

habitants of Japan, they will be severely chastised. In case he should succeed in obtaining concessions on any of the points above mentioned, it is desirable that they should be reduced into the form of a treaty, for negotiating which he will be furnished with the requisite powers.

He will also be furnished with copies of the treaties made by this government with China, Siam, and Muscat, which may serve him as precedents in drawing up any treaty he may be able to make. It would be well to have one or more of these translated into the Japanese tongue, which, it is presumed, can be done in China.

He will bear in mind that, as the President has no power to declare war, his mission is necessarily of a pacific character, and will not resort to force unless in self defence in the protection of the vessels and crews under his command, or to resent an act of personal violence offered to himself, or to one of his officers.

In his intercourse with this people, who are said to be proud and vindictive in their character, he should be courteous and conciliatory, but at the same time, firm and decided. He will, therefore, submit with patience and forbearance to acts of discourtesy to which he may be subjected, by a people to whose usage it will not do to test by our standard of propriety, but, at the same time, will be careful to do nothing that may compromit, in their eyes, his own dignity, or that of the country. He will, on the contrary, do everything to impress them with a just sense of the power and greatness of this country, and to satisfy them that its past forbearance has been the result, not of timidity, but of a desire to be on friendly terms with them.

It is impossible by any instructions, however minute, to provide for every contingency that may arise in the prosecution of a mission of so peculiar and novel a character. For this reason, as well as on account of the remoteness of the scene of his operation, it is proper that the commodore should be invested with large discretionary powers, and should feel assured that any departure from usage, or any error of judgment he may commit will be viewed with indulgence.

The government of Holland has communicated to this government that instructions had been given to the superintendent of their factory at Dezima to promote, by every means in his power, the success of the expedition; and the kindness that has heretofore been shown by that officer towards our countrymen in captivity leaves no room for doubt that he will cheerfully fulfil these instructions.

The commissioner of the United States to China has been directed to prefer certain claims of citizens of the United States against that government. As the presence of the squadron might give some additional weight to the demand, you will please direct its commander (if he finds he can do so without serious delay or inconvenience) to touch at Hong-Kong or Macao and remain there as long as he may deem it advisable.

If the squadron should be able, without interfering with the main object for which it is sent, to explore the coasts of Japan and of the adjacent continent and islands, such an exploration would not only add to our stock of geographical knowledge, but might be the means of extending our commercial relations and of securing ports of refuge and supply for our whaling vessels in those remote seas. With this view he will be provided with powers authorizing him to negotiate treaties of amity and navigation with any and all established and independent sovereigntics in those regions.

In the event of such a voyage, he will inform himself, as far as practicable, of the population, resources, and natural productions of the country, and procure and preserve specimens of the latter, and the seeds of such plants as may be peculiar to the country.

He will be authorized by this department to draw on the Messrs. Baring Brothers & Co., of London, to a limited amount for the payment of guides, interpreters, messengers, &c., and of other expenses incident to his mission; as also for the purchase of such presents as it may be deemed advisable to make to promote the objects of his mission.

I have the honor to be, very respectfully, your obedient servant,

C. M. Conrad,
Acting Secretary.

Hon. J. P. Kennedy,
Secretary of the Navy.

Commodore Perry to Secretary of the Navy

U. S. Steam Frigate Mississippi,
Madeira, December 14, 1852

Sir: Since leaving the United States I have had leisure to reflect more fully upon the probable result of my visit to Japan, and though there is still some doubt in my mind as to the chances of immediate success in bringing that strange government to any practicable negotiation, yet I feel confident that in the end the great object in view will be effected.

As a preliminary step, and one of easy accomplishment, one or more ports of refuge and supply to our whaling and other ships must at once

be secured, and should the Japanese government object to the granting of such ports upon the main land, and they cannot be occupied without resort to force and bloodshed, then it will be desirable in the beginning, and indeed, necessary, that the squadron should establish places of rendezvous at one or two of the islands south of Japan, having a good harbor, and possessing facilities for obtaining water and supplies, and by kindness and gentle treatment conciliate the inhabitants so as to bring about their friendly intercourse.

The islands called the Lew Chew group are said to be dependencies of Japan, as conquered by that power centuries ago, but their actual sovereignty is disputed by the government of China.

These islands come within the jurisdiction of the prince of Satsuma, the most powerful of the princes of the empire, and the same who caused the unarmed American ship Morrison, on a visit of mercy, to be decoyed into one of his ports and then fired upon from the batteries hastily erected. He exercises his rights more from the influence of the fear of the simple islanders than from any power to coerce their obedience; disarmed, as they long have been, from motives of policy, they have no means, even if they had the inclination, to rebel against the grinding oppression of their rulers.

Now, it strikes me, that the occupation of the principle ports of those islands for the accommodation of our ships of war, and for the safe resort of merchant vessels of whatever nation, would be a measure not only justified by the strictest rules of moral law, but what is also to be considered by the laws of stern necessity; and the argument may be further strengthened by the certain consequences of the amelioration of the condition of the natives, although the vices attendant upon civilization may be entailed upon them.

In my former commands upon the coast of Africa and in the Gulf of Mexico, when it fell to my lot to subjugate many towns and communities, I found no difficulty in conciliating the good will and confidence of the conquered people, by administering the unrestricted power I held rather to their comfort and protection than to their annoyance; and when the naval forces left, they carried with them the gratitude and good wishes of their former enemies; and so I believe that the people of the islands spoken of, if treated with strict justice and gentle kindness, will render confidence for confidence, and after a while the Japanese will learn to consider us their friends.

In establishing those ports of refuge it will be desirable to provide the means of supply to the vessels that may resort to them, and hence the necessity of encouraging the natives in the cultivation of fruits, vegetables, etc.; and to carry out in part this object, garden-seeds have been provided; but to pursue the purpose still further, I have thought that if a few of the more simple agricultural implements of our own country were sent to me for use, and for presents, they would contribute most essentially to the end in view; such, for instance, as the common cultivator, the plough and harrow, spades, hoes of various kinds, the threshing and winnowing machines, and especially those inventions for separating the cotton and rice from their husks.

And with reference, also, to the subject of my letter to Mr. Fulsom, chargé at the Hague, a copy of which has been enclosed to the Department of State, it would be good policy to counteract the discreditable machinations of the Dutch, by circulating printed publications representing the true condition of the various governments of the world, and especially to set forth the extraordinary prosperity of the United States under its genial laws.

To effect this object, I am already provided with works for presentation, descriptive of the civil and political condition of the United States, such as the census tables, post office, and railroad reports, reports of the Indian and land offices, military and naval registers, also with the magnificent publications of the State of New York, etc.

And I have thought that a small printing press, with type and materials, would go far to facilitate our plans, by giving us the means of putting forth information calculated to disabuse the Japanese of the misrepresentations of the Dutch.

The government of Japan keep in employment linguists in all modern languages; and such is their curiosity, that these publications, if admitted at all, would soon be translated.

Having thus, according to my anticipations, established harbors of resort, and organized certain rules of equity to govern our intercourse with the natives in the payment for labor, supplies, &c., and having depots of provisions and coal near at hand, we shall be able to act with more effect in bringing about some friendly understanding with the imperial government. At all events, steamers, or whatever vessels that may be passing to and from California and China, will find safe harbors in their way, and it may reasonably be expected that in the course of time the intercourse thus brought about will lead to a better understanding of our pacific intentions.

It may be said that my anticipations are too sanguine. Perhaps they may be, but I feel a strong confidence of success. Indeed, success may be

commanded by our government, and it should be, under whatever circumstances, accomplished. The honor of the nation calls for it, and the interest of commerce demands it. When we look at the possessions in the east of our great maritime rival, England, and of the constant and rapid increase of their fortified ports, we should be admonished of the necessity of prompt measures on our part.

By reference to the map of the world, it will be seen that Great Britain is already in possession of the most important points in the East India and China seas, and especially with reference to the China seas.

Singapore commanding the southwestern, while Hong Kong covers the northeastern entrance, with the island of Labuan on the eastern coast of Borneo, an intermediate point, she will have the power of shutting up at will and controlling the enormous trade of those seas, amounting, it is said, in value to 300,000 tons of shipping, carrying cargoes certainly not under £15,000,000 sterling.

Fortunately the Japanese and many other islands of the Pacific are still left untouched by this unconscionable government; and, as some of them lay in a route of a commerce which is destined to become of great importance to the United States, no time should be lost in adopting active measures to secure a sufficient number of ports of refuge. And hence I shall look with much anxiety for the arrival of the Powhatan and the other vessels to be sent to me.

I have thus exhibited, in this crude and informal communication, my views upon a subject which is exciting extraordinary attention throughout the world, and I trust that the department will approve the course I propose to pursue.

With great respect, I am, sir, your most obedient servant,

M. C. Perry,
Commanding East India Squadron—

Hon. JOHN P. KENNEDY,
Secretary of the Navy, Washington.

Part Six

THE SECOND AMERICAN REVOLUTION

INTRODUCTION

1. THE ELECTION OF 1860

THE ELECTION of 1860 was one of the great turning points in American history. Tempers were exacerbated by the events of the previous years—the civil war in Kansas, John Brown's raid, the Dred Scott decision, the hard times following the panic of 1857; and political differences were intensified by all these. Politicians were reluctant to phrase the issue sharply: they still tried to discover formulas and compromises to avoid the impending conflict. But "squatter sovereignty" and "free soil" no longer held charms; while even the nativism of the Know-Nothings—the typical effort of demagogues to distract attention from the current pressing concerns—had lost its magic. The South knew its peculiar institution was in danger; the North was becoming increasingly critical of it. Harriet Beecher Stowe's *Uncle Tom's Cabin* (first published in 1852) continued to be read and wept over; Helper's *Impending Crisis* was published in the North and became the textbook of the enemies of slavery. Meanwhile, more and more, Northern and Western businessmen were beginning to understand that the Democratic party could not offer even half a loaf as far as economic progress was concerned.

The Democrats. As 1860 approached, the Democratic party was confronted by the horns of a dilemma. To continue supporting Douglas's "squatter sovereignty" meant the repudiation of the Dred Scott decision and ultimately the surrender of political power. To follow Taney meant that Democracy's appeal would be wholly sectional and that it must lose. These dreadful choices were posed at their convention at Charleston, South Carolina, in April, 1860, and when neither the Northern Democrats—adhering to Douglas's position—nor the Southern Democrats—accepting the Taney formulation—would yield, the convention broke up in disorder. The Northern wing met in Baltimore on June 18 and nominated Douglas and H. V. Johnson of Georgia. The Southern wing also met in Baltimore ten days later and named John C. Breckinridge and Joseph Lane of Oregon. To make confusion worse confounded, the remnants of the Whigs (largely Southern) and some Know-Nothings met on May 9 and nominated John Bell of Tennessee and Edward Everett of Massachusetts. They called their ticket the Constitutional Union party and helplessly they phrased pious platitudes: they were for "the Constitution of the country, the Union of the states, and the enforcement of the laws."

The Republicans. This was going to be a Republican year and it was necessary to write a platform with consummate skill. On the slavery issue, the trimmers carried the day; on the economic questions, a bold and open appeal was made to the rising industrial capitalist class of North and West. The Republicans met on May 16 at Chicago and their platform threw a wide net to catch every disgruntled vote. The Republicans endorsed the Declaration of Independence and the Union; they attacked the Democratic party; they agreed that each state had the right to control its own domestic institutions. As far as the territories were concerned, the Wilmot Proviso was the correct formulation; therefore (without naming the Supreme Court), the Republicans declared that neither Congress nor a territorial legislature could legalize slavery in the territories. Also, they opposed the reopening of the African slave trade. This was, in short, a free-soil platform.

As far as economic questions went, however, there was no beating about the bush. To the North, the Republicans promised protectionism, internal improvements, and a liberal immigration policy. To the West, they held out homesteadism and a Pacific Railway. They were silent on money and finance—but it was plain that Republicans favored a national banking system and a sound currency.

The Republicans were not wanting for candidates. Heading the list was William H. Seward, New York's Senator, erstwhile Whig but available because he was antislavery, anti-Know-Nothing, and for protection. Other aspirants were Simon Cameron of Pennsylvania, a staunch protectionist; Salmon P. Chase of Ohio, at various times a Whig, a Liberty party man, a Democrat, and Ohio's first Republican governor; Edward Bates of Missouri, brought up on the conservative Whig tradition; and Abraham Lincoln of Illinois, once a Clay Whig and now a free-soil Republican who had no emotional feelings about slavery. Seward led on the first and second ballots but did not have enough votes for a majority and the nomination. To the surprise of the country—although his political managers were very astute and succeeded in taking advantage of the dislike in which Seward was held, as well as in promising Cabinet posts to the other candidates—Lincoln was nominated on the third ballot. With him was named Hannibal Hamlin of Maine.

The Campaign. The Republican campaign was skillfully managed. Lincoln made no speeches; but Republican orators plucked every string. In the West, they talked up homesteadism; in the German strongholds, they attacked the nativists; in New Jersey and Pennsylvania, they ran exclusively on the high-tariff plank. Only a tariff could raise wages, labor was told in Philadelphia; only a homestead law could make the worker a freeholder, labor was told in St. Louis. On slavery—to the chagrin of the Abolitionists—the Republicans were silent. Indeed, they took pains to assure the voters that the election of their candidate in no wise jeopardized the Union.

Lincoln was elected because of the four-way split. Lincoln's popular vote was 1,858,000 against 1,292,000 for Douglas, 850,000 for Breckinridge, and 646,000 for Bell; in short, he received almost 1,000,000 votes less than those of his opponents combined. But he won in the electoral college with 180 votes out of 303. Lincoln triumphed because he carried the old Northwest and New York—previously Democratic strongholds. He did not get a single popular vote in the cotton South. The Republicans did not have majorities in both Houses of Congress. Clearly, this was not a vote against the South and slavery.

2. *SOUTHERN SECESSION*

And yet, the South accepted it as such and despite all of Lincoln's soft words—he was not an Abolitionist; he favored gradual emancipation with compensation; the freed Negroes ought to be deported—the cotton South seceded. South Carolina took the first fatal step. On December 20, 1860, a convention especially called for that purpose declared the dissolution of "the union now subsisting between South Carolina and the other states, under the name of the 'United States of America.'" By February 4, 1861, South Carolina had been followed out of the Union by Georgia, Alabama, Mississippi, Louisiana, and Florida; and on that day a convention at Montgomery, Alabama, drew up a provisional constitution for "The Confederate States of America." Jefferson Davis of Mississippi and Alexander H. Stephens were chosen President and Vice President respectively. And on February 23, Texas joined the Confederacy.

The Opening Gun. Buchanan, still in office, would do nothing; Northern Abolitionists were relieved that the separation had occurred

so painlessly and declared that the erring seven should be permitted to "depart in peace"; efforts at compromise were started in Congress but without success; and Lincoln kept his own counsel. When he rose to deliver his First Inaugural Address in Washington on March 4, his remarks were conciliatory. He had no intention to interfere with slavery in the South; the Union had to be preserved; government property in the South—forts, custom houses—would be protected. He hoped the seceded states would soon learn the error of their ways.

But events inexorably were moving toward a decision. There were two federal forts in the South—Pickens at Pensacola, Florida, and Sumter at Charleston, South Carolina—which were not taken by the Confederates and their commanders refused to surrender them. They were running short of supplies, however, and efforts had to be made to feed the beleaguered troops. One relief ship, *The Star of the West*, bound for Ft. Sumter, was fired on as she entered Charleston harbor and was compelled to turn back. Lincoln sent out a whole expedition; and when the Confederate government learned this, orders were given to reduce the fort. On April 12, the Southern guns opened fire and for thirty-four hours Ft. Sumter was under attack; then its commander, Major Anderson, surrendered—and the war was on. Meanwhile, Ft. Pickens was relieved, and it continued in federal hands throughout the war.

In May and June, the Confederacy was joined by Arkansas, Virginia, North Carolina, and Tennessee. The Border states—Delaware, Maryland, Kentucky and Missouri—stayed out, in part because Lincoln in the beginning did not molest slavery, in part because there were powerful Unionist forces in these states. The western portion of Virginia was hostile to secession, with the result that in July, 1861, it separated from the Old Dominion and joined the Union as West Virginia.

The Call to Arms. Lincoln did not summon Congress in special session until July. Assuming full responsibility—many of his acts had to be legalized later, for they were clearly unconstitutional—he proceeded to put the Union into a state of defense. On April 15, he issued a proclamation of "insurrection" and he called upon the states to furnish 75,000 militiamen for three months. He ordered the expansion of the army. He proclaimed blockades of Southern ports. He directed the Secretary of the Treasury to issue $2,000,000 in notes to meet defense expenditures. He suspended the writ of habeas corpus. When Congress met, in July, the Radical Republicans were in control with Stevens of Pennsylvania, Julian of Indiana, and Davis of Maryland as leaders in the House, and Sumner of Massachusetts, Wade of Ohio, and Chandler of Michigan the spokesmen for the group in the Senate. They proceeded to ratify the President's acts; and after the rout at Bull Run (July 21) they authorized the enlistment of 500,000 volunteers for periods running from 6 months to 3 years. Later, as the war was prolonged, volunteers were to be mustered in to serve for the duration.

The Two Sides. On the face of it—in terms of the human and material resources of the two sections—the war promised to be brief, for the North's strength was immeasurably the greater. The North's white population was 20,750,000; the South's 9,150,000. In terms of military effectives (white males between 15 and 40 years), the North had 4,000,000 men against the South's 1,000,000. While the South had more acreage in farms, the North's improved acreage was larger. The North could produce more foodstuffs—so important in war—in 1860 having turned out $167,000,000 worth of flour and meal as compared to the South's $56,000,000 worth. In 1860, the North had 19,770 miles of rail; the South, 10,513. When it came to manufactures, the North was far in the lead. The capital value of its manufacturing plant was $842,000,000 to the South's $168,000,000; its wage earners in industry numbered 1,132,000 to the South's 189,000; the worth of its manufactured products was $1,594,000,000 to the South's $291,000,000. Woolen goods—to be made into uniforms and blankets—were part of the immediate necessities of armies in the

field. In 1860, the North produced $64,270,000 worth of woolen products, the South $4,596,000. In the case of finances, again the North's superiority was clear. Total bank deposits in the North were $187,678,000; in the South, $66,124,000. In the North, money in circulation totaled $119,826,000; in the South, $87,276,000. Despite all this, the war dragged on for four bitter years.

Why was this? For one thing, the Union's military organization was poor: it had too many political generals; whereas the best men in the officer caste joined the South. The South's fighting spirit was also better: many of its men had been brought up in an aristocratic tradition which accepted combat as a normal way of life. Again, there were ineptness and gross mismanagement in the furnishing and handling of supplies and materials of war. In the third place, the war was largely fought in the South, on a terrain familiar to the Southern leaders, whose lines of communication could be better controlled. Fourth, conscription was not resorted to in the North until 1863; and even when it was, the use of substitutes was freely countenanced. The result was that desertions from the Union ranks came to more than 200,000 men.

Finally, Lincoln's whole theory of the war was one of limited objectives. He wanted to keep the Border states in the Union; he wanted to take Richmond (which succeeded Montgomery as the Confederacy's capital). However, he was reluctant to adopt those measures that would strike the dagger at the heart of the rebellion: the confiscation of Southern property; the arming of the Negroes; most important of all, the emancipation of the slaves and the proclamation of the war as a great moral crusade.

The Union won in the long run—for its superior resources were bound to tell, and Lincoln's hand was forced. European powers did not intervene on the side of the South, although the ruling classes of England and France were sympathetic to the Confederate cause. The English found themselves ultimately bound to the Union because of the thriving business they were doing in the supply of munitions and implements of war. In exchange for these, the English took Northern wheat; in fact, by 1862, the English were getting 39 percent of their wheat imports from the North as compared with 25.5 percent in 1860. England was not wholly dependent upon American wheat stocks; but American importations kept the price down—and low costs made it possible to maintain the English free trade system.

Equally significant was the moral support given the Union cause by the organized workers of Europe. They saw the war as a struggle for human rights and, notably after the Emancipation Proclamation was issued, they brought powerful pressures to bear upon their governments to compel the maintenance of neutrality.

The successful blockade of the Confederate ports by the Union navy was another important factor. The South could not ship out its cotton—which it had hoped would win the war for it—and the result was that it was incapable of obtaining foreign credits. In 1862, England was getting only 2.6 percent of her cotton imports from the South as compared with 80.2 percent in 1860.

Finally, after 1863, with the promise of emancipation and the arming of the Negroes, the Civil War became what the Abolitionists had urged from the start: a conflict to reassert the great doctrine of equality to which the Declaration of Independence had committed the United States. To this extent, the war was won by the Radical Republicans (as the Abolitionists now called themselves).

3. *LINCOLN AND THE RADICALS*

The Position of the Radicals. The Radical Republicans were equalitarians. Many of them, like Horace Greeley and Thaddeus Stevens, were spokesmen for the rising industrial capitalism of the North. Many of them, like George W. Julian and Carl Schurz, were sincere advocates of homesteadism and Western expansion. But at the same time they were loyal and dogged fighters in the cause of human rights, and the greatest of these was equality of opportunity in a regime of liberty and justice. They understood—as had the early Seekers, the Transcendentalists, the Jacksonians—that the common man's claim to equality of opportunity was the only basis for a decent society.

To them, therefore, slavery was a great wrong. It was a vicious and reprehensible system that demoralized the South and debased the American people. Because it was iniquitous and immoral, there could be no compromise with it. Slavery had to be destroyed and America's pledge to the common man—the realization of equality—had to be reaffirmed. In other words, the war, to be won, had to be fought ideologically.

The policy of the Radical Republicans, in the Congress, in the Cabinet, in the press and the pulpit, had economic and idealistic facets. The Radicals sought the conversion of the American economy from a mercantile to an industrial one, in a climate of liberty. Also, they wanted to preserve the fruits of their victory; and this could be done only by winning the war the right way. The Radical conception of this war, therefore, ran as follows: The South was antagonistic to free institutions and a free way of life; and because the South's politics, ethics, and psychology were dominated by the slaveowners, this class had to be destroyed.

To defeat the South, total war was necessary, because this, in the long run, was the more humane. Only military leaders who were aware of this could be trusted; hence, the suspicion of General McClellan and others like him. The economic and political power of the great plantation owners had to be rooted up; hence, the demand for the confiscation and breakup of their estates. Specifically, the program of the Radicals called for the use of these three devices: (1) free the Negroes at once; (2) arm them and put them into Union uniforms; (3) divide the confiscated estates of the rebel slaveowners among landless blacks and whites so that a large number of freeholders would be established in the new South to defend and preserve the institutions of freedom.

On the first point, the Radicals were partially successful; on the second, entirely so; on the third, they failed. The failure of Reconstruction may be linked with this last.

The Position of Lincoln. Lincoln did not read the purposes or the outcome of the war in these terms. Originally, he believed he had been elected only to preserve the Union; and, while he regarded himself as an antislavery man, as late as 1862 in his famous reply to Greeley he could say: "My paramount object in this struggle is to save the Union, and is not either to save or to destroy slavery." This is why Lincoln persisted for a long time in pursuing his policy of limited objectives. He coddled the Border states (they gave him 50,000 rifles, he said); he did not carry war into the deep South; he reprimanded General Frémont for freeing Negroes in Missouri and General Hunter for doing the same thing in South Carolina.

Lincoln, in his efforts to come to grips with the slavery question, as he groped his way toward a proper policy, was amazingly unrealistic. His program included the following: (1) gradual emancipation, to be extended over a period of 37 years, that is, up to 1900; (2) emancipation by the states and compensation by them; (3) reimbursement of the states by the Federal government; (4) the colonization of freedmen, at federal expense, outside of the United States. This idea of colonization had a

strange fascination for Lincoln. He helped in the organization of one such project—which ended disastrously. As late as August, 1862, in addressing a delegation of Negro leaders, he could say that the whites and blacks would be better off if they were separated—with water between them.

Lincoln Moves toward the Radicals. And yet Lincoln—because he was a great man and a great leader—knew that he had to keep moving toward the position of the Radicals. The war was not being won; defeatism already was raising its head at home; there always threatened European intervention; he was alienating the great mass of Europe's workers.

The Emancipation Proclamation was his first step in the direction of the Radicals. It freed no Negroes—but it outlined a policy: the persistence of the rebellion would lead, as a reprisal, to the emancipation of the Negroes in the Southern states. As far as the induction of Negroes into the Union armies was concerned, Lincoln was cautious. The Proclamation carefully declared that "such persons of suitable condition will be received into the armed service of the United States to garrison forts, positions, stations, and other places, and to man vessels of all sorts in said services." The Negroes were not to be active combatants; yet, by late 1863, Lincoln had again yielded and given his consent to the raising of both slave-Negro and free-Negro regiments. Altogether, before the war was over, 186,000 Negroes had seen service in Union armies.

The Question of Confiscation. Even on the most extreme demand of all, that of confiscation, Lincoln was not obdurate. The Radicals had pushed through Congress two Confiscation Acts but neither had been of any significance because neither had concerned itself with real property. Southern homesteadism, as the Radicals called it, was the only honest solution to the Negro problem in the South. Bills had been introduced in both Houses of Congress and one, in fact, had passed the lower House; the National Union League had approved; in 1864, the subcommittee on resolutions of the National Republican Convention had brought the project before the party's General Committee. There was no achievement yet. But by July, 1864, even on this point, Lincoln had come around to the position of the Radicals. For an outstanding Radical, George W. Julian of Indiana, in his *Political Recollections*, reported a conversation in which Lincoln said he would sign a bill confiscating the real property of rebels, "if we would send it to him."

Nothing came of it, and the division between Lincoln and the Radicals was never closed. One may well raise the question whether Lincoln—in view of his great political skill—would not have been more successful in the handling of Reconstruction than was Johnson. Lincoln knew when to change his mind; Johnson, on the other hand, because of his origins and loyalties, from a certain point on was inflexible. Reconstruction failed—and its heritage still survives to plague us.

4. *FIGHTING THE WAR*

Financing. The Union government—whose Treasury Department was headed by Salmon P. Chase—used many devices for raising the great revenue needed for the war's prosecution.

(1) It increased tariff rates—although the intention here was largely protectionist; but it did not get very much from this source. In 1861, duties brought in only $36,000,000 and in 1864 only $102,000,000. (2) It expanded the excises, taxing according to no plan, with the result that the list was miscellaneous to an extraordinary degree. There were taxes on beer, liquor, and tobacco; on manufactures, railroads, and steamboats; on bank notes, advertisements and legacies; on legal documents; and on occupations. Here, too, the yield was unimportant —from all taxes, about $300,000,000. (3) It imposed taxes on personal incomes. The first

such levy, in August, 1861, placed a rate of 3 percent on incomes in excess of $800. During 1862–65, incomes between $600 and $5,000 were taxed at 5 percent and those above at 10 percent. With the war's end, the exemption was raised to $2,000, and in 1872 the income tax was abolished. Altogether, this tax brought in only $55,000,000 during the war years.

(4) More important was the issuance of paper money, Treasury notes, and bonds. In all, the Treasury was authorized by Congress to print $450,000,000 in greenbacks; and these were to be regarded as full legal tender for all private purposes and for all public purposes except the payment of customs duties and interest on the public debt. Until 1864, greenbacks—despite their depreciation—could be used to buy bonds, which were to be redeemed in gold or "coin." (5) The Treasury floated issue after issue of Treasury notes and long-term bonds and employed every conceivable method to dispose of them. Interest rates were high—5 to 7.3 percent. After 1863, bonds were sold at the market rather than at par. The new national banks were forced to buy by linking the right of bank-note issue with federal bonds. In only one way did the Treasury protect itself: as a rule, redemption was fixed at indeterminate periods (5 to 20 years, 10 to 40 years), thus permitting refunding at more favorable rates at some future time. In all, something like $2,600,000,000 in bonds were issued.

Boom times followed, as was to be expected; and with the dearth of commodities an extraordinary inflation occurred. The United States went off the gold standard at the end of 1861; the greenbacks were now legal tender and their presence and those of the bonds acted as volatile agencies. Prices began to soar so that the greenback dollar was worth 87 cents in July, 1862; 77 cents in July, 1863; and it was worth on an average only 64 cents in 1864. It reached as low as 39 cents in July, 1864. After the war was over, in July, 1865, the greenback was worth 70 cents. It was not until January 1, 1879, that the United States was back on the gold standard.

The following index numbers reveal what happened to prices, money wages, and real wages during the war years (1926 = 100).

Year	Wholesale Prices	Money Wages	Real Wages
1860	60.9	18.8	30.9
1861	61.3	18.8	30.7
1862	71.7	19.3	26.9
1863	90.5	22.0	24.3
1864	116.0	25.2	21.7
1865	132.0	28.0	21.2
1866	116.3	29.8	25.6

That is to say, from 1860 to 1865, prices increased almost 120 percent, while money wages increased only about 50 percent; so that the real wages of workers declined more than 30 percent. Labor therefore suffered bitterly and engaged again and again in strikes, very few of which were successful. Trade unionism made only slight gains during the war. It was not until 1868 that real wages were back where they had been in 1860; and not until 1878 that wholesale prices were at the levels also reached in the year 1860.

Mobilizing Man Power. The country was badly prepared for war; in fact, at the start, the regular army had only 16,400 men and officers. Resort, therefore, had to be made to calling up of state militias and volunteers, and to conscription in order to prosecute the war. The second group, the volunteers, furnished the largest body of men. It was not until March, 1863, that a national conscription act was passed. Under it, all able-bodied males between 20 and 45 years were declared liable to military service. The draft machinery was put in charge of federal marshals and the unit of enrollment was made the congressional district. Opportunities for enlistment were still granted so that, in effect, only deficiencies in quotas were to be made up by conscription. The system had many inequities, in view of the fact that drafted men (up to 1864) could buy exemptions for $300, or by furnishing a substitute. The payment of bounties—which ran as high as $1,000—to volunteers also complicated the situation.

The conscription law was unpopular and efforts to enforce it led to widespread disturbances. The draft riots in New York City (July 13 to 16, 1863) took a terrible toll of lives and property. The rioters were in control of the city for a good part of the time. Negroes and their friends were hunted down, assaulted, and killed; many parts of the city were fired. The number of dead on both sides has been put between 300 and 500. The draft was scarcely worth the effort, for it obtained only 46,000 conscripts and 118,000 substitutes—and many of the latter "jumped" their bounties.

Despite these difficulties an army was obtained and before the war was over had been whipped into a trained fighting force. Supply and communications improved, as did medical facilities. When hostilities ceased, more than 1,580,000 different men had seen service in the Union armies. On the Confederate side, perhaps as many as 700,000 men had fought in its armies. How the armies grew may be ascertained from these figures of the number of men confronting each other at various times. In July, 1861: 186,700 Unionists against 112,000 Confederates; in January, 1863, 918,000 Unionists against 446,000 Confederates; in January, 1864, 860,000 Unionists against 460,000 Confederates.

Mobilizing Opinion. There was much more opposition to the prosecution of the war than has been commonly believed. For the most part, the opponents of the war were "peace" Democrats—particularly strong in Indiana, Illinois, and Ohio—who favored peace by negotiation on the basis of the recognition of the Confederacy. Some engaged in treasonable activity: they recruited for the enemy; sought to release Confederate prisoners; and also acted as spies and agents. These antiwar groups captured the Illinois and Indiana legislatures and virtually took these states out of the war. They also formed secret and terrorist societies called variously "Sons of Liberty" and "Knights of the Golden Circle" and known popularly as "Copperheads."

Against these dissidents, Lincoln moved with severity and dispatch. In districts where they were active he suspended the habeas corpus, imposed martial law, shut down newspapers, and ordered summary arrests. In all, more than 13,000 such cases were reported. After the war was over, in 1866, the Supreme Court in *Ex parte Milligan*, found that trials by military commission had been illegal. It should be said, however, that Lincoln was no dictator in the modern sense. Trials by military commissions were few; suppressed newspapers were permitted to resume after short periods of suspension; there was no general interference with freedom of speech; and party activities were never under the ban. In fact, in the election of 1864, the Democrats openly denounced the war as a failure and called for a cessation of hostilities.

5. *THE MILITARY ASPECTS OF THE WAR*

The Anaconda Plan. The general strategy of the war, devised by the aged Winfield Scott, commander-in-chief of the army, was in its larger outlines followed as planned. Using economic as well as military measures, it called for the isolation and then strangulation of the South as an effective fighting machine; for this reason, it was known as the Anaconda Plan. The full utilization of the Anaconda Plan encompassed the following: (1) The South was to be cut off from all contacts with the outside world by blockade; this was to prevent cotton from getting out and railroad iron from getting in. (2) Southern ports were to be seized; hence expeditions were sent against Port Royal, New Orleans, and Mobile, all of which were taken. Only Charleston was able to hold out. (3) The Southern fleet was to be driven from the high seas and its commerce destroyers tracked down. (4) Mexico was to be kept

neutral—and was. (5) The western part of the Confederacy was to be cut off from the eastern part; and the eastern armies were to be overwhelmed by superior forces and destroyed.

The general scheme was followed and the Southern defenses were broken down as the South was gradually isolated. But Lincoln's Border state policy permitted supplies to flow into the South, thus prolonging the war; while he was reluctant to use devices—such as the arming of the Negroes—which would have succeeded in smothering the South from the military point of view. It was not until 1863 that the western Confederacy was separated from the eastern part; and not until 1864 that the lower South was detached from the center.

The War in 1861. With the outbreak of hostilities a horde of enthusiastic but untrained men descended on Washington: the rebellion was to be crushed in ninety days. At Bull River on July 21, two motley armies faced each other and after a day's fighting—which all Washington streamed out to see—the Union forces were sent flying in retreat. The Confederates were too spent to follow up their victory and Washington was saved.

Lincoln now summoned George B. McClellan to take command of the army on the Potomac and in nine months he created a remarkable fighting machine. McClellan was only 34 years of age, had had a successful business career, and was a Democrat in politics. He was no friend of the Negro, was contemptuous of the democratic processes, and detested Radical Republicanism and all it stood for. In disregard of Congress and the press, he spent months whipping his men into shape; because he believed he could crush the Confederacy in a single campaign, he was prepared to bide his time until he was ready. In the beginning, Lincoln protected McClellan and, in fact, showed his confidence by naming him commander-in-chief to replace Scott. The year ended with McClellan still training his men.

The War in 1862. It was not McClellan who struck first but U. S. Grant—and the opening campaign occurred in the West. Grant, a West Pointer, had left the army and had struggled with poverty and drink as he grew into middle age. When the war broke out he raised an Illinois volunteer regiment and was made its colonel. In a few months he was promoted to the command of a brigade and sent to Cairo, Illinois. Familiar with the Mississippi country, he was aware of the fact that fifty miles up the Ohio River the Tennessee and Cumberland rivers entered it; and that the control of these tributaries opened the door into Tennessee, Alabama, and Mississippi. The Confederates had placed forts on the two rivers and against these Grant moved swiftly. He took Ft. Henry on the Tennessee and proceeded to beseige Ft. Donelson on the Cumberland. With the fall of the latter (it was here he gained the soubriquet "Unconditional Surrender" because of the terms he imposed), Tennessee was completely exposed to the Union armies. Grant then moved against Shiloh, up the Cumberland River and into the southern end of Tennessee; he sought to sever Mississippi and Alabama from the Confederacy in this campaign. He won a victory—but at such a heavy loss in men that his command was taken from him. He had demonstrated his great capacity, however, and Lincoln was to fall back on him when all his other generals failed him.

The Peninsular campaign was still languishing as McClellan waited. Finally in March he was ordered to advance and he proceeded up the York Peninsula. But he had been stripped of his command and three other armies had been set up in Virginia. The Confederates, although outnumbered, were led by Lee and Jackson, and their superior strategy and particularly Jackson's move against Washington compelled McClellan to dig in. Lee now attacked. The Seven Days' Battles (June 26–July 1) for Richmond took place; and McClellan retired to the Peninsula.

Halleck, who had been placed over Grant in the West, was at this point called to Washington and made commander-in-chief. His effort to cover Washington led to Pope's defeat at the second battle of Bull Run at the hands of

Lee; Lee now pushed into Maryland. McClellan was summoned north to meet him and the decisive battle of Antietam took place in western Maryland (September 17) and Lee was forced to retire. It is true Lee escaped from a trap; but Antietam was important because it was the North's first great victory. It prevented European recognition of the South and it gave Lincoln a chance to issue the preliminary Emancipation Proclamation. But McClellan's inability to take either Lee or Richmond led to his being relieved of his command once more; in fact, it was the last time, and his military career was over.

Whether this was a mistake or not it is hard to say. True, the Army of the Potomac was now a superior fighting force; it is equally true that McClellan's strategy in the Peninsula Campaign was the same one that Grant followed to victory two years later. But McClellan was untrustworthy politically and he refused to see eye to eye with Congress as far as the war's purpose was concerned. If one accepts the Radicals' theory of the war, McClellan was a dangerous man.

The War in 1863. This year saw the final success of Grant's initial strategy: the separation of the western Confederacy from the eastern half. It also saw the failure of Lee's effort to bring the war into the North; the ultimate decision, it was evident, could not rest with the Confederacy. Beginning in the early spring, Grant moved south from Memphis and was accompanied by Porter's gunboats on the Mississippi. Then Grant struck across country and in 18 days marched 200 miles. He won five battles; he took 8,000 prisoners; and he lay siege to Vicksburg. The city capitulated July 3, and now the Mississippi was open from New Orleans to St. Louis.

The Union armies of the East—this time commanded by Hooker—once more sought to enter Virginia. Lee and Jackson attacked, and at Chancellorsville (May 5) Hooker was routed. But in this battle Jackson was fatally wounded by his own men—an irreparable loss for the Confederacy. A second time Lee tried to invade the North and with a great army swung into southern Pennsylvania. He was met by Meade and for three days (July 1–3) the battle of Gettysburg was fought. The Union soldiers held and Lee was permitted to retire. Meade might have cut him to pieces; but it was only a matter of time now. For Lee's best men were gone and the hope of European support had permanently vanished.

The War in 1864. In this year, the second part of Grant's strategic plan was realized: the lower South was cut off from Virginia. The Army of the Cumberland had been put under Grant in 1863 and as a result of the Confederate defeat at Chattanooga (November 24) the way was open into Georgia. Grant was called to Washington and Sherman was left in charge of the Union armies numbering 100,000 men. Beginning in May, 1864, and extending his lines of communication, Sherman pushed into Georgia and marched on Atlanta, which he took on September 2. Then he cut himself loose from his supplies and proceeded to live off the country as he marched to the sea. A campaign of deliberate destruction was launched: across a stretch sixty miles in width, the Union soldiers burned and seized everything that could be of any possible use to the Confederacy. Sherman appeared before Savannah on December 10—after a two months' march—and took it. The way up the Carolina coast was clear.

At the same time Grant was fighting in Virginia. He had been made commander-in-chief in March and Lincoln expressed the fullest confidence in him. Beginning in May, Grant began that series of bloody engagements known as the Battle of the Wilderness; in a single month Grant's casualties were 55,000 to Lee's 30,000. The war of attrition was in full swing and it was apparent that Lee could not suffer such extraordinary losses. Lee retired to Petersburg and Grant locked up the Confederate army here for nine months. Then the country really lost heart and defeatism swept it. It was at this time that the greenback dropped to 39 cents.

The Election of 1864. It was in such an atmosphere that the presidential contest of 1864 was waged. The Radicals had never lost their suspicion of Lincoln, and it was only heightened when his plans for the Reconstruction of the seceded states were made public. Lincoln announced that his key to Reconstruction was the reestablishment of the "normal relations with the Union" as quickly as possible. At this the Radicals took alarm; now they were certain that Lincoln not only misunderstood the purposes of the war but was prepared to betray them. To them the war and the peace—the revolution, in fact—could be defended only by the protection of the civil rights of the freshly emancipated Negroes and the economic gains industrial capitalism had won. Against Lincoln's "normal relations" therefore the Radicals juxtaposed the "conquered province" theory. The seceded states, in other words, were to be readmitted only after they had been purged of rebels and rebellious attitudes.

Lincoln acted first. In December, 1863—after Tennessee, North Carolina, Arkansas, Louisiana, and Virginia had been presumably conquered and military governors appointed—Lincoln announced that when 10 percent of the 1860 qualified voters of these states had taken an oath of allegiance and set up legal governments he would then recognize the states as having resumed their proper relations with the Union. This infuriated the Radicals: Congress had not been consulted; Lincoln's terms were not only mild but they imposed no guarantees. The result was, Congress took Reconstruction into its own hands and passed the Wade-Davis bill in June, 1864. This was based on Charles Sumner's conception that the seceded states had committed suicide; they were, therefore, only territories and were to be administered by the Federal government. The bill abolished slavery in the rebel states. Then, after the insurrection had been crushed, all *white* males were to be enrolled by federal marshals and asked to swear allegiance to the Union. When a majority in any state had done so, a constitutional convention was to be summoned; and the constitution it drew up was to be ratified by a majority of the voters. Only then might the President of the United States, with the consent of Congress, proclaim the establishment of the new state government.

Lincoln vetoed this bill on July 4, 1864. And the Radicals struck back in a bitter manifesto. This was an attack on their own party candidate, for Lincoln had been renominated by the Republicans on June 7. Andrew Johnson of Tennessee, War Democrat, was named his running mate. Lincoln had no confidence in his own reelection; nor did the Radicals, for that matter, for they proceeded to look about for another candidate from among their own number. Davis of Maryland, who was party to these conversations, expressed himself as follows: "There are hundreds of thousands who think that Mr. Lincoln cannot suppress the rebellion, and they are anxiously casting around their eyes, in this hour of deep agony, for a *man of mind and will* who is able to direct the national power to the *suppression* of the rebellion."

The Democrats, aware of this division, did not meet until August 29; they adopted a peace plank and nominated McClellan. But in September, Sherman had taken Atlanta and the South was dismembered. The Radicals stopped plotting; Frémont, who had been named to head an independent ticket by his German admirers in the Middle West, withdrew his candidacy; and the way was clear for Lincoln's reelection. With only the Union states voting, Lincoln carried all but Kentucky, Delaware, and New Jersey. But there were large McClellan minorities in New York, Pennsylvania, Ohio, Indiana, and Illinois; too, Lincoln's popular majority did not exceed 400,000 votes.

The End of the War. This was the beginning of the end as far as the South was concerned. A negotiated peace was sought; but when the discussions failed, Lee abandoned Petersburg and, on April 4, Grant entered Richmond. Five days later Lee surrendered the pitiable rem-

nants of his army to Grant at Appomattox Court House. On Good Friday, April 14, Abraham Lincoln held his last Cabinet meeting and in the evening went to the play. He was shot down by the actor John Wilkes Booth and died the next morning without having recovered consciousness. Andrew Johnson—whom the Radicals were disposed to regard with greater friendliness—was President of the United States.

6. THE TRIUMPH OF INDUSTRIAL CAPITALISM

The war was being won on the field and on the floor of Congress; and not only was slavery abolished but the progress of industrial capitalism was now at last assured. To this extent, the Republican party was responsible for the Second American Revolution. For the control of the Federal government during the war years gave the Republicans the opportunity to carry out the economic program—and more—that it had promised in its platform of 1860. The industrial capitalist of America recovered the opportunities of expansion that had been choked off as a result of the domination of public affairs by the slave owners and their allies for more than a generation. To this end, several important economic matters were enacted by Congress during the Civil War years.

Protective Tariffs. Morrill of Vermont had introduced a tariff bill during the Congressional session of 1859–60 and the House had passed it; but the Senate had refused to follow suit. With the Southerners gone from Washington, the lame duck session of Congress early in 1861 passed the bill and President Buchanan signed it on March 2. This measure merely restored the rates of 1846. The Republicans were not ready to stop here.

From 1861 to 1864, a stream of new bills appeared and with only casual debate went through the legislative mill. Said their defenders: new revenues were needed to finance the war, also, domestic manufacturers required compensation for the excise taxes they were being called upon to pay. At the end of the Civil War, the average rate on dutiable goods stood at about 47 percent as compared with the 18.8 percent at its beginning.

Tariff revision—usually upward—continued during the whole Reconstruction period. In 1867, the wool and woolen industries got new rates; in 1867, the duty on copper was raised sixfold; in 1870, steel rails were put on the protected list. In 1870, rates were cut somewhat; in 1875, the reductions were restored. Even the Eastern Democrats, by this time, were reluctant to tamper with the protective system and it remained essentially untouched until the Wilsonian Democrats sat down to revise its rates radically downward in 1913.

There was an ironic turn to protectionism that led to curious consequences. High schedules, presumably, were supposed to make imports prohibitive; and yet foreign goods continued to pour in. So much so that during the decades 1870–90 every year saw almost an annual surplus of $100,000,000 in the Treasury—produced by the tariff duties. The government used these funds to redeem the Civil War bonds, thus embarrassing the national banks; it spent generously on rivers and harbors, thus fulfilling another campaign promise of 1860; it began—after 1883—to modernize the navy; it encouraged the enactment of generous pension legislation for Civil War veterans. Here was a fascinating example of having one's cake and eating it too. The Republican party had protectionism and at the same time it could claim the grateful support of the Grand Army of the Republic!

The National Banking System. The wildcat banks of the antebellum West and South had plagued legitimate business enterprise for a long time. When the war broke out, banking was still unregulated. The war produced a new crop of problems. As war orders and bonds began to pour from Washington—along with the

suspension of specie payments—a sharp inflation set in. Bank-note issues multiplied, new banks sprang up, and once more there began to walk the specters of an unsound paper currency and of banking failure because of the absence of a reserve system. By 1863, there were 1,600 banks of issue with about 12,000 different kinds of notes in circulation.

The Treasury took two important steps to stabilize banking—and both steps were more than wartime measures. To make possible the ready absorption of federal bonds and to create a sound system of banks, under national control, Congress passed the National Banking Act of 1863 (rewritten in 1864). Second, state bank notes were virtually outlawed when, in March, 1865, an annual tax of 10 percent was imposed upon them.

By the banking law, commercial banking institutions might be incorporated under federal charter. Such banks were to have the right of note issue, but only against United States bonds, which were to be deposited with the Treasury. In the first place, such bonds were to be equal to at least one third of the bank's capital and not less than $30,000 in amount; in the second place, notes could be issued only up to 90 percent of the market value of the bonds. The maximum national bank-note issue was set at $300,000,000.

The law also set certain reserve requirements for national banks. Country banks had to maintain reserves of 15 percent of specie and lawful money; "reserve" city banks had to have reserves of 25 percent. Part of such reserves could be maintained in New York City banks; subsequently, Chicago and St. Louis were also denominated "central reserve" cities. By the seventies, nine of New York City's banks held two thirds of bankers' deposits. In this way, a central banking system of sorts was set up, with these differences: note issue was based on bonds rather than on gold or commercial paper; there was no rediscount function established anywhere; and the reserves had no central control. But wildcat banking, at least, was a thing of the past.

In time, the national banking system manifested serious defects. (1) Rural districts were being discriminated against because of the high capital requirements for the establishment of banks. (2) Tieing bank notes to bonds produced an inverted elasticity—so that there were no checks anywhere on the expansion and contraction of credit. When business was booming, bond prices dropped, with the result that banks bought and thus expanded their note issues. When business was declining, bonds sold at premiums, so that banks got rid of their holdings and thus contracted their loan portfolios. (3) Also, the concentration of reserves in New York led to most of the money being put out at call on brokers' loans. There was no machinery to direct the reserves for the relief of distressed areas. In consequence, in periods of emergency when reserves were called home, security markets were left unsupported and depression therefore spread out from New York in widening circles. This is what happened in the depressions of 1873 and 1893. It was not until 1913, when the Federal Reserve System was set up—indeed, not until 1935, when the act was thoroughly overhauled—that many of these defects were rectified.

The Homestead Act. The Republican party fulfilled another of its campaign pledges with the enactment of the Homestead Act of 1862. Under it, heads of families or individuals 21 years of age or over, who were citizens or declarants, might receive free a quarter section (160 acres) of land from the public domain. Final title was to be entered after a five-year residence and the erection of an improvement. Other devices facilitated the quick settlement of the public lands. Great tracts were given to railway companies and these began to sell land at once—and at low prices. Land might be purchased from the states, which had received grants to facilitate internal improvements and for the financing of public schools. In 1862, too, such holdings had been enormously increased through the passage of the Morrill Agricultural College Act, which gave every state establishing a public agricultural college

30,000 acres for each representative it had in Congress.

It should not be assumed that as a result of the Homestead Act most settlers obtained their preemptions for nothing. Indeed, there were many notorious evils associated with America's land system under which fraud and engrossment flourished. Many great fortunes were made out of land grabs and land jobbing. The point is this however: settlers bought lands but they bought them at low prices; and the West was settled quickly by freeholders. In no other country in the world were so many operators of farms also the owners of them. Despite all its faults, homesteadism was one of the great cornerstones of the American democratic system, fulfilling the hopes entertained for it by George W. Julian, one of the Radical Republicans: "Should it [the Homestead bill] become a law, the poor white laborers of the South as well as the North would flock to the territories, where labor would be respectable, our democratic theory of equality would be put in practice, closely associated communities could be established as well as a system of common schools offering to all equal educational opportunities."

Pacific Railways. With Southern opposition finally silenced, the Republican party could enact another of its great projects: the crossing of the continent by at least one Pacific railway. In July, 1862, two federal corporations were chartered, the Union Pacific—to build west out of Omaha to the eastern boundary of California—and the Central Pacific—to build eastward from the Pacific coast until it effected a juncture with the Union Pacific. Generous support was rendered the railway companies. They were given the rights of way, protected from marauders, and granted free use of timber, earth, and stone from the public lands. More important were the land grants and federal loans. Following the precedent established in the Illinois Central charter of 1850, the government voted the Pacific railways huge land grants, to wit, twenty sections (in alternate plots on each side of the right of way) for every mile of track laid down. The Federal government also pledged its credit to assist the builders. Originally taking a first mortgage, then making its claim a junior lien, the government lent the companies $16,000 for every mile built in level country, $32,000 for every mile built in the foothills, and $48,000 for every mile built in the mountains. In May, 1869, both lines were finished when a juncture was achieved at Promontory Point, Utah. Great frauds attended the building of both lines, particularly through the use of dummy construction companies. It may very well be that costs were doubled; and, of course, a few individuals profited, thus laying the basis for great private fortunes. But the roads were built and the continent spanned.

In all, during the sixties and seventies, four other Pacific railways were chartered and each received land grants, some of the terms being even more generous than those offered the Union Pacific. From 1850 to 1873, when a stop was put to the practice, 155,500,000 acres of land were voted by Congress to land-grant railways, and of this amount, 131,400,000 acres were certified and finally patented. The money loans came to a very large sum. The Union Pacific got $27,200,000 in federal bonds, the Central Pacific got $25,800,000; four lesser companies received $11,500,000. By 1890, through the failure to pay interest, these accrued charges were augmented by another $50,000,000.

Immigration. The Republican party had promised a federal immigration policy. This pledge Congress fulfilled when in 1864 it established an Immigration Bureau and also wrote a contract labor act. Although the latter law was on the statute books for only four years, contract laborers continued to enter the United States until 1885. American industry was thus assured a steady labor supply from Europe and the Orient; indeed, it was not until the late eighties that any attempt was made to put immigration even on a mildly selective basis. All could come—the old and young, the destitute and even the ill. And immigrants poured in,

In the fifties, immigration had accounted for an addition of 2,600,000 to our population; in the sixties, despite the war, the total was 2,300,000; in the seventies it was 2,800,000. These were our day laborers and our Western settlers; in a generation they were to become America's skilled workers and agricultural freeholders.

To this extent, then, the program of the Civil War, as a revolution, was magnificently achieved. It freed industrial capitalism, and permitted it to mechanize our production, expand our productivity, increase our national income, and make American real wages the highest on the earth. The Civil War had also started out by holding out the promise of equality for the Negro. Here it failed. The processes of Reconstruction therefore require examination.

7. *THE FAILURE OF RECONSTRUCTION*

The Old Radicals and the New Radicals. Reconstruction failed because the Abolitionists had no successors. During the Civil War the Radical Republicans were really made up of two factions which remained in alliance until the conflict was over. These may be called the Old Radicals and the New Radicals. Both were in agreement on this basic point: the War could be won only by the freeing and arming of the Negroes and the smashing of the economic and political power of the slave lords. The Old Radicals—the Abolitionists—were committed to this program for moral and emotional reasons; the New Radicals accepted it for political ones, largely. Wholeheartedly the younger men of Congress—Conkling of New York, Blaine of Maine, Sherman and Garfield of Ohio—followed the lead of their elders; they believed in the rising star of industrial capitalism; they completely accepted the tactic that the war had to be waged uncompromisingly. But they were too young themselves to have suffered in the Abolitionist crusade; and Negro emancipation, for them, was not a burning faith but a weapon. When the war was over, the New Radicals took over control of the Republican party. The test of Reconstruction—the establishment of civil and economic equality for the Negro and the poor whites, as well—really hinged on the land question. The Old Radicals, as early as 1861, had demanded the confiscation of the great estates of the rebel leaders and their distribution among the landless. They had not succeeded in the so-called Confiscation Acts of 1861 and 1862. With the war over, Stevens and Sumner returned to the attack but again they were unsuccessful. In fact, as early as 1871, it was already becoming evident that Reconstruction was not to succeed.

The New Radicals wanted peace. As representatives of industrial capitalism, they saw that the South was an important element in the establishment of a vast domestic market. Southern products were needed at home and to help balance international payments abroad. Southern coal and iron could be exploited by the investment of Northern capital. Southern railroads could be built, factories erected, cities furnished with public utilities—always provided the section was prepared to cooperate with Northern capital. To achieve this, a political settlement was imperative. The South was permitted to "redeem" itself, with the tacit consent of the New Radicals.

Why, then, were the New Radicals prepared to quit the South? It was because they had entrenched themselves so firmly in the North and West that there was little danger of the recapture of political power by an agrarian alliance. In fact, the first real threat to industrial capitalism did not come until 1896; and when Bryan was defeated, it was apparent that an epoch had ended. The Second American Revolution was secure.

Reconstruction in Congress. At first, the Radicals were prepared to regard Andrew Johnson as their man: he favored the Wade-

Davis program for Reconstruction and he was bitterly hostile to the great slave-owning planters. But the Radicals failed to reckon with these facts: as a Southern yeoman white—one of those to whom Helper had appealed—Johnson equally disliked the Negroes, and he was distrustful of industrial capitalism and all its works. Johnson, in short, was a Jacksonian; but a Jacksonian only as far as the white small farmers and petty artisans were concerned. By the end of 1865 the Radicals were aware of this and they turned with implacable fury on Johnson. They destroyed him politically, all but drove him out of office, and proceeded to take over the processes of Reconstruction into their own hands. From 1865 to 1870 the Radicals sought to reorder the political and economic institutions of the South; but by 1871 they were already retiring.

In May, 1865, Johnson announced the presidential program for Reconstruction. He was willing to grant a general amnesty, and he was prepared to recognize "loyal" states and readmit them into the Union. This was to be on the following terms: constitutional conventions were to be summoned in which might participate all those whites who had taken an oath of allegiance or received presidential pardons (Negroes were not included); such conventions were to repeal the ordinances of secession, repudiate the Confederate debts, and abolish slavery. By December, 1865, all of the seceded states but Texas had fulfilled these requirements and were once again members of the Union. The loyal states and the Southern states proceeded to ratify the Thirteenth Amendment, freeing the Negroes, and in December, 1865, it became a part of the Constitution. And then Southern legislatures sat down to enact codes to curb vagrancy and establish judicial processes particularly applicable to the Negroes. These were the notorious "Black Codes": the real reason for them was to maintain the freedmen in an unequal civil and economic status.

The Radicals realized it was necessary to abandon Johnson. They set up the Joint Committee of Fifteen on Reconstruction; they kept Southern Congressmen and Senators from their seats; and they entered the Congressional elections of 1866 against Johnson and defeated him. Then they took over and set to work to undo all of Johnson's labors. Congress voted the continuance of the Freedmen's Bureau (a general relief agency); it put Negro civil rights under the protection of the federal courts; and it passed the Fourteenth Amendment, which the Joint Committee had drawn up. By December, 1866, all the Southern states but Tennessee had rejected the Fourteenth Amendment. The war was on again, in the eyes of an Old Radical like Stevens who, in January, 1867, could say:

> If impartial suffrage is excluded in the rebel states then every one of them is sure to send a solid rebel representative delegation to Congress, and cast a solid rebel electoral vote. They, with their kindred Copperheads of the North, would always elect the President and control Congress. . . . Now you must divide them between loyalists, without regard to color, and disloyalists, or you will be the perpetual vassals of the free-trade, irritated, revengeful South.

The New Southern Constitutions. In March, 1867, by the passage of the First Reconstruction Act, Johnson's reconstructed states were superceded. This law placed the Southern states (all but Tennessee) under military law; proclaimed universal Negro suffrage; called for the summoning of new conventions from which outstanding Confederates were to be excluded; and demanded that state legislatures were to ratify the Fourteenth Amendment. Only after Congress had approved these works were the military governors to be withdrawn and Southern representatives admitted to their seats.

The conventions met and in all the states but Virginia were dominated by Republicans made up of Negroes, loyal whites (the so-called scalawags), and Northerners (the so-called carpetbaggers) who had come South as agents of the Freedmen's Bureau and as small capitalists looking for business opportunities.

These men wrote the new constitutions of 1868–70. The documents were liberal and frequently highly progressive. They established universal manhood suffrage (white and black) and they disfranchised the leaders of the Confederacy. But they went beyond this, for they were equalitarian codes which sought to guarantee the civil and economic rights of all small-property owners. (Interestingly enough, long after redemption, these constitutions were retained by the Southern states, in fact in some as late as 1902.)

These provisions were to be found in many of the new constitutions: Negroes were enfranchised and were granted full and equal civil rights. The property rights of women were protected. A system of free and mixed education was set up. Local governments were reorganized and given a greater measure of self rule. The judiciary was placed under popular control. Imprisonment for debt was abolished. Property qualifications for voting and holding office were done away with. New tax systems were created based upon uniform rates of assessment on all types of property. Welfare agencies and institutions—orphanages, asylums, homes for the blind and deaf—were established.

The new legislators were inexperienced and badly led. Undoubtedly, there were adventurers among them. They left the Southern states with a heavy burden of debt. But a good part of this indebtedness grew out of the fact that, in their zeal to erect public improvements and build schools, the Reconstructionists fell into the hands of dishonest promoters. Particularly was this true of railroad construction, in connection with which Southern states guaranteed the principle and interest of private bond issues. Also, many of the states had to sell their bonds at sizable discounts in Northern money markets. The question of corruption obscures the main issue, in any case. (Public morals were at a low point all over the country.) The Reconstructionists must be judged in terms of their intention, and here—there can be no doubt—they were honest and sincere. They sought to make the idea of equality work.

The Election of 1868. From 1866 on, Johnson had been resistant and in February, 1868, the House impeached him. He appeared for trial before the Senate the next month and failed of conviction by a single vote. Meanwhile, the presidential campaign of 1868 was under way. The Democrats named Horatio Seymour of New York and F. B. Blair of Missouri; they endorsed the Johnson policies, denounced Congressional Reconstruction as "unconstitutional, revolutionary and void," and came out for a mild form of paper inflation. The Republicans nominated U. S. Grant and Schuyler Colfax of Indiana. They approved of what was taking place in the South, sang the praises of their candidate, and adopted as their slogan the concluding words of Grant's letter of acceptance: "Let us have peace." Grant won by a vote of 214 to 80 in the electoral college, although his popular majority was only 310,000, out of 5,716,000 votes cast. In the election, Louisiana and Georgia voted for Seymour as did also Kentucky, Delaware, and Maryland among the Border states. These were signs for all to read.

The Redemption of the Southern States. From 1871 on, Congressional interest in the South declined. The Old Radicals were disappearing; the New Radicals now dominated the Republican party. They refused to interfere as the Southern redemptionists (we call them the Bourbons) disfranchised the Negroes and seized power in the interests of a new large-property group in the South. The Negroes were not disfranchised by law; but by intimidation, threats, and violence they were persuaded to join the Democratic party or abstain from voting. The Ku Klux Klan, which flourished in the South during 1868–71, used murder to obtain submission. Beginning with 1869, the white groups—led by the Bourbons—regained power in the Southern states: during 1869–71 in Tennessee, Virginia, North Carolina, and Georgia; during 1874–76 in Ala-

bama, Texas, Arkansas, and Mississippi; and in 1877 in Florida, Louisiana, and South Carolina. In 1872, the Freedmen's Bureau went out of existence; in the same year Washington stopped sending federal troops into the South to assure the observance of federal election laws. And in 1872, also, all but a very small remnant of the former Confederate leaders were restored their civil rights. The South, again, had a leadership; and the Solid South appeared to proclaim the triumph of Bourbonism.

PRELIMINARIES

THE PARTY PLATFORMS OF 1860

THE PARTY PLATFORMS of the 1860 campaign could not avoid the issue of the impending crisis. As its name implies, the Constitutional Union party was for maintaining national existence by stressing bonds and ignoring tensions. Its convention met at Baltimore on May 9, 1860, and named John Bell of Tennessee for President and Edward Everett of Massachusetts for Vice President.

None of the other parties in the canvass chose that summary method of resolving the situation. The Republicans, who met at Chicago on May 16 and named Abraham Lincoln of Illinois and Hannibal Hamlin of Maine as their standard bearers, disappointed the Abolitionists in declaring merely for territorial limits to slavery. But on economic questions their forthright planks were calculated to attract votes in the industrial East and the agrarian West. The Republican platform appealed to manufacturers, railroad promoters, Western men who wanted readier access to the land, and such seaboard workers as might be won from the Democratic party by the promise of free homesteads on the public domain.

The Democrats divided. The last major American institution still existing on a nation-wide basis was shattered. The Democratic party met in convention at Charleston in April and split, with the main body reassembling at Baltimore on June 18. It named as its candidates, Stephen A. Douglas of Illinois and Benjamin Fitzpatrick of Alabama. The minority met, first at Baltimore and then at Richmond in June, when it nominated John C. Breckinridge of Kentucky and Joseph Lane of Oregon.

The campaign proceeded in the atmosphere of bitterness and intrigue, of political jockeying and conflict of principle which had characterized the party conventions. Loud threats came from the South. In the North, a split threatened as New York merchants became increasingly sensitive to cancellations of orders by Southern buyers. It was plain that neither the Douglas Democrats nor the Constitutional Union party could, alone, defeat Lincoln; but a fusion of the two might take the state from the Republicans. In an election as close as this was likely to be, no party could win without the electoral vote of New York. And if no candidate secured a majority of the electoral vote, choice of a President would fall to a House of Representatives voting by states. The "sectional" Republican candidate would be defeated. It was also entirely possible that the House would be unable to make that decision; it had been unable to name its own Speaker by majority vote at the previous session. The Constitutional interregnum between election and inauguration in March was difficult enough, but such an interregnum when no succeeding President had been chosen might easily lead to anarchy.

The plan for fusion against Lincoln failed in New York. The Republican campaign was cleverly handled. The antislavery issue was soft-pedaled; appeal was made to the necessity of preserving the Union; Westerners were promised homesteads and a Pacific railway, and Pennsylvania and New Jersey manufacturers were won over by protectionism. Lincoln received only a popular plurality, but he obtained a majority in the electoral college; it was significant that not a single Southern vote was cast for him.

The platforms are reprinted from the official proceedings of the conventions.

The Constitutional Union Platform

Whereas, Experience has demonstrated that Platforms adopted by the partisan Conventions of the country have had the effect to mislead and deceive the people, and at the same time to widen the political divisions of the country, by the creation and encouragement of geographical and sectional parties; therefore

Resolved, that it is both the part of patriotism and of duty to *recognize* no political principle other than THE CONSTITUTION OF the COUNTRY, THE UNION OF THE STATES, AND THE ENFORCEMENT OF THE LAWS, and that, as representatives of the Constitutional Union men of the country, in National Convention assembled, we hereby pledge ourselves to maintain, protect, and defend, separately and unitedly, this great principle of public liberty and national safety, against all enemies, at home and abroad; believing that thereby peace may once more be restored to the country; the rights of the People and of the States reestablished, and the Government again placed in that condition of justice, fraternity and equality, which, under the example and Constitution of our fathers, has solemnly bound every citizen of the United States to maintain a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

The Democratic Platform

1. *Resolved*, That we, the Democracy of the Union in Convention assembled, hereby declare our affirmance of the resolutions unanimously adopted and declare as a platform of principles by the Democratic Convention at Cincinnati, in the year 1856, believing that Democratic principles are unchangeable in their nature, when applied to the same subject matters; and we recommend, as the only further resolutions, the following:

2. Inasmuch as difference of opinion exists in the Democratic party as to the nature and extent of the powers of a Territorial Legislature, and as to the powers and duties of Congress, under the Constitution of the United States, over the institution of slavery within the Territories,

Resolved, That the Democratic party will abide by the decision of the Supreme Court of the United States upon these questions of Constitutional law.

3. *Resolved*, That it is the duty of the United States to afford ample and complete protection to all its citizens, whether at home or abroad, and whether native or foreign born.

4. *Resolved*, That one of the necessities of the age, in a military, commercial, and postal point of view, is speedy communication between the Atlantic and Pacific States; and the Democratic party pledge such Constitutional Government aid as will insure the construction of a Railroad to the Pacific coast, at the earliest practicable period.

5. *Resolved*, That the Democratic party are in favor of the acquisition of the Island of Cuba on such terms as shall be honorable to ourselves and just to Spain.

6. *Resolved*, That the enactments of the State Legislatures to defeat the faithful execution of the Fugitive Slave Law, are hostile in character, subversive of the Constitution, and revolutionary in their effect.

7. *Resolved*, That it is in accordance with the interpretation of the Cincinnati platform, that during the existence of the Territorial Governments the measure of restriction, whatever it may be, imposed by the Federal Constitution on the power of the Territorial Legislature over the subject of the domestic relations, as the same has been, or shall hereafter be finally determined by the Supreme Court of the United States, should be respected by all good citizens, and enforced with promptness and fidelity by every branch of the general government.

The Democratic (Breckinridge Faction) Platform

Resolved, That the platform adopted by the Democratic party at Cincinnati be affirmed, with the following explanatory resolutions:

1. That the Government of a Territory organized by an act of Congress is provisional and temporary, and during its existence all citizens of the United States have an equal right to settle with their property in the Territory, without their rights, either of person or property, being destroyed or impaired by Congressional or Territorial legislation.

2. That it is the duty of the Federal Govern-

ment, in all its departments, to protect, when necessary, the rights of persons and property in the Territories, and wherever else its constitutional authority extends.

3. That when the settlers in a Territory, having an adequate population, form a State Constitution, the right of sovereignty commences, and being consummated by admission into the Union, they stand on an equal footing with the people of other States, and the State thus organized ought to be admitted into the Federal Union, whether its Constitution prohibits or recognizes the institution of slavery.

Resolved, That the Democratic party are in favor of the acquisition of the Island of Cuba, on such terms as shall be honorable to ourselves and just to Spain, at the earliest practicable moment.

Resolved, That the enactments of State Legislatures to defeat the faithful execution of the Fugitive Slave Law are hostile in character, subversive of the Constitution, and revolutionary in their effect.

Resolved, That the Democracy of the United States recognize it as the imperative duty of this Government to protect the naturalized citizen in all his rights, whether at home or in foreign lands, to the same extent as its native-born citizens.

WHEREAS, One of the greatest necessities of the age, in a political, commercial, postal and military point of view, is a speedy communication between the Pacific and Atlantic coasts. Therefore be it

Resolved, That the National Democratic party do hereby pledge themselves to use every means in their power to secure the passage of some bill, to the extent of the constitutional authority of Congress, for the construction of a Pacific Railroad from the Mississippi River to the Pacific Ocean, at the earliest practicable moment.

The Republican Platform

Resolved, That we, the delegated representatives of the Republican electors of the United States, in Convention assembled, in discharge of the duty we owe to our constituents and our country, unite in the following declarations:

1. That the history of the nation during the last four years, has fully established the propriety and necessity of the organization and perpetuation of the Republican party, and that the causes which called it into existence are permanent in their nature, and now, more than ever before, demand its peaceful and constitutional triumph.

2. That the maintenance of the principles promulgated in the Declaration of Independence and embodied in the Federal Constitution, "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness; that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed," is essential to the preservation of our Republican institutions; and that the Federal Constitution, the Rights of the States, and the Union of the States must and shall be preserved.

3. That to the Union of the States this nation owes its unprecedented increase in population, its surprising development of material resources, its rapid augmentation of wealth, its happiness at home and its honor abroad; and we hold in abhorrence all schemes for disunion, come from whatever source they may. And we congratulate the country that no Republican member of Congress has uttered or countenanced the threats of disunion so often made by Democratic members, without rebuke and with applause from their political associates; and we denounce those threats of disunion, in case of a popular overthrow of their ascendency as denying the vital principles of a free government, and as an avowal of contemplated treason, which it is the imperative duty of an indignant people sternly to rebuke and forever silence.

4. That the maintenance inviolate of the rights of the states, and especially the right of each state to order and control its own domestic institutions according to its own judgment exclusively, is essential to that balance of powers on which the perfection and endurance of our political fabric depends; and we denounce the lawless invasion by armed force of the soil of any state or territory, no matter under what pretext, as among the gravest of crimes.

5. That the present Democratic Administration has far exceeded our worst apprehensions, in its measureless subserviency to the exactions of a sectional interest, as especially evinced in its desperate exertions to force the infamous Lecompton Constitution upon the protesting people of Kansas; in construing the personal relations between master and servant to involve an unqualified property in persons; in its attempted enforcement everywhere, on land and sea, through the intervention of Congress and of the Federal Courts, of the

extreme pretensions of a purely local interest; and in its general and unvarying abuse of the power intrusted to it by a confiding people.

6. That the people justly view with alarm the reckless extravagance which pervades every department of the Federal Government; that a return to rigid economy and accountability is indispensable to arrest the systematic plunder of the public treasury by favored partisans; while the recent startling developments of frauds and corruptions at the Federal metropolis, show that an entire change of administration is imperatively demanded.

7. That the new dogma that the Constitution, of its own force, carries slavery into any or all of the territories of the United States, is a dangerous political heresy, at variance with the explicit provisions of that instrument itself, with contemporaneous exposition, and with legislative and judicial precedent; is revolutionary in its tendency, and subversive of the peace and harmony of the country.

8. That the normal condition of all the territory of the United States is that of freedom: That, as our Republican fathers, when they had abolished slavery in all our national territory, ordained that "no persons should be deprived of life, liberty or property without due process of law," it becomes our duty, by legislation, whenever such legislation is necessary, to maintain this provision of the Constitution against all attempts to violate it; and we deny the authority of Congress, of a territorial legislature, or of any individuals, to give legal existence to slavery in any territory of the United States.

9. That we brand the recent reopening of the African slave trade, under the cover of our national flag, aided by perversions of judicial power, as a crime against humanity and a burning shame to our country and age; and we call upon Congress to take prompt and efficient measures for the total and final suppression of that execrable traffic.

10. That in the recent vetoes, by their Federal Governors, of the acts of the legislatures of Kansas and Nebraska, prohibiting slavery in those territories, we find a practical illustration of the boasted Democratic principle of Non-Intervention and Popular Sovereignty, embodied in the Kansas-Nebraska Bill, and a demonstration of the deception and fraud involved therein.

11. That Kansas should, of right, be immediately admitted as a state under the Constitution recently formed and adopted by her people, and accepted by the House of Representatives.

12. That, while providing revenue for the support of the general government by duties upon imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges, which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the nation commercial prosperity and independence.

13. That we protest against any sale or alienation to others of the public lands held by actual settlers, and against any view of the free-homestead policy which regards the settlers as paupers or suppliants for public bounty; and we demand the passage by Congress of the complete and satisfactory homestead measure which has already passed the House.

14. That the Republican party is opposed to any change in our naturalization laws or any state legislation by which the rights of citizens hitherto accorded to immigrants from foreign lands shall be abridged or impaired; and in favor of giving a full and efficient protection to the rights of all classes of citizens, whether native or naturalized, both at home and abroad.

15. That appropriations by Congress for river and harbor improvements of a national character, required for the accommodation and security of an existing commerce, are authorized by the Constitution, and justified by the obligation of Government to protect the lives and property of its citizens.

16. That a railroad to the Pacific Ocean is imperatively demanded by the interests of the whole country; that the federal government ought to render immediate and efficient aid in its construction; and that, as preliminary thereto, a daily overland mail should be promptly established.

17. Finally, having thus set forth our distinctive principles and views, we invite the co-operation of all citizens, however differing on other questions, who substantially agree with us in their affirmance and support.

THE SOUTH CAROLINA CONVENTION

So FAR AS South Carolina was concerned, Lincoln's election was sufficient cause for secession. The South could not consider its interests secure in a nation ruled by a party which pro-

claimed the intention to impose territorial limits on slavery. No Republican declaration that the new administration would maintain a scrupulous respect for the rights of the states could gloss over the fact that Republican principles implied a gradual strangling of the South's "peculiar institution."

The South Carolina legislature met immediately and summoned a Convention—to be elected by popular vote—for December 17, 1860, to consider the state's relations to the Union. The Convention assembled and on December 20 voted unanimously to secede. By February 1, 1861, the six other states of the deep South—Georgia, Alabama, Florida, Mississippi, Louisiana, and Texas—had followed South Carolina's lead. On February 4, at Montgomery, Alabama, delegates from these states met and on February 8 they established the Confederate States of America. Jefferson Davis of Mississippi and Alexander H. Stephens of Georgia were elected President and Vice President respectively.

Various attempts at compromise had appeared meanwhile, one being a series of Constitutional amendments presented by Senator Crittenden of Kentucky and, another, a so-called peace convention called by Virginia on February 4, 1861. Neither attracted much support; in the meantime Lincoln made no move. Indeed he waited a whole month after his inauguration before he was prepared to consider the question of federal forts in the Southern states. Most of these strongholds had been surrendered to the Confederates, but Fort Pickens at Pensacola and Fort Sumter at Charleston still held out, although their supplies were running low. At the end of March, Lincoln decided to relieve Fort Sumter and an expedition was sent out. On April 12, 1861, the Confederate batteries at Charleston opened fire on the fort—before the relief squadron had appeared—and two days later Major Anderson at Sumter surrendered. The war had begun.

On April 17, Virginia joined the Confederacy as did Arkansas on May 6, Tennessee on May 7, and North Carolina on May 20. The Border states of Maryland, Kentucky, Missouri, and Delaware did not throw in their lot with the seceding South; but in Virginia the western counties withdrew and formed West Virginia, which supported the Union.

The selection here reprinted, issued by the South Carolina Convention on December 24, 1860, is from a pamphlet printed at Charleston in 1860.

Declaration of the Immediate Causes Which Induce and Justify the Secession of South Carolina from the Federal Union

THE PEOPLE of the State of South Carolina, in Convention assembled, on the 26th day of April, A. D., 1852, declared that the frequent violations of the Constitution of the United States, by the Federal Government, and its encroachments upon the reserved rights of the States, fully justified this State in then withdrawing from the Federal Union; but in deference to the opinions and wishes of the other slaveholding States, she forbore at that time to exercise this right. Since that time, these encroachments have continued to increase, and further forbearance ceases to be a virtue.

And now the State of South Carolina having resumed her separate and equal place among nations, deems it due to herself, to the remaining United States of America, and to the nations of the world, that she should declare the immediate causes which have led to this act.

In the year 1765, that portion of the British Empire embracing Great Britain, undertook to make laws for the government of that portion composed of the thirteen American Colonies. A struggle for the right of self-government ensued, which resulted, on the 4th July, 1776, in a Declaration, by the Colonies, "that they are, and of right ought to be, FREE AND INDEPENDENT STATES; and that, as free and independent States, they have full power to levy war, conclude peace, contract alli-

ances, establish commerce, and to do all other acts and things which independent States may of right do."

They further solemnly declared that whenever any "form of government becomes destructive of the ends for which it was established, it is the right of the people to alter or abolish it, and to institute a new government." Deeming the Government of Great Britain to have become destructive of these ends, they declared that the Colonies "are absolved from all allegiance to the British Crown, and that all political connection between them and the State of Great Britain is, and ought to be, totally dissolved."

In pursuance of this Declaration of Independence, each of the thirteen States proceeded to exercise its separate sovereignty; adopted for itself a Constitution, and appointed officers for the administration of government in all its departments—Legislative, Executive and Judicial. For purposes of defence, they united their arms and their counsels; and, in 1778, they entered into a League known as the Articles of Confederation, whereby they agreed to entrust the administration of their external relations to a common agent, known as the Congress of the United States, expressly declaring, in the first article, "that each State retains its sovereignty, freedom and independence, and every power, jurisdiction and right which is not, by this Confederation, expressly delegated to the United States in Congress assembled."

Under this Confederation the War of the Revolution was carried on, and on the 3d September, 1783, the contest ended, and a definitive Treaty was signed by Great Britain, in which she acknowledged the Independence of the Colonies in the following terms:

"*Article* 1.—His Britannic Majesty acknowledges the said United States, viz: New Hampshire, Massachusetts Bay, Rhode Island and Providence Plantations, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina and Georgia, to be FREE, SOVEREIGN AND INDEPENDENT STATES; that he treats them as such; and for himself, his heirs and successors, relinquishes all claims to the government, propriety and territorial rights of the same and every part thereof."

Thus were established the two great principles asserted by the Colonies, namely: the right of a State to govern itself; and the right of a people to abolish a Government when it becomes destructive of the ends for which it was instituted. And concurrent with the establishment of these principles, was the fact, that each Colony became and was recognized by the mother Country as a FREE, SOVEREIGN AND INDEPENDENT STATE.

In 1787, Deputies were appointed by the States to revise the Articles of Confederation, and on 17th September, 1787, these Deputies recommended, for the adoption of the States, the Articles of Union, known as the Constitution of the United States.

The parties to whom this Constitution was submitted, were the several sovereign States; they were to agree or disagree, and when nine of them agreed, the compact was to take effect among those concurring; and the General Government, as the common agent, was then to be invested with their authority.

If only nine of the thirteen States had concurred, the other four would have remained as they then were—separate, sovereign States, independent of any of the provisions of the Constitution. In fact, two of the States did not accede to the Constitution until long after it had gone into operation among the other eleven; and during that interval, they each exercised the functions of an independent nation.

By this Constitution, certain duties were imposed upon the several States, and the exercise of certain of their powers were restrained, which necessarily implied their continued existence as sovereign States. But, to remove all doubt, an amendment was added, which declared that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people. On 23d May, 1788, South Carolina, by a Convention of her people, passed an Ordinance assenting to this Constitution, and afterwards altered her own Constitution, to conform herself to the obligations she had undertaken.

Thus was established, by compact between the States, a Government, with defined objects and powers, limited to the express words of the grant. This limitation left the whole remaining mass of power subject to the clause reserving it to the States or to the people, and rendered unnecessary any specification of reserved rights.

We hold that the Government thus established is subject to the two great principles asserted in the Declaration of Independence; and we hold further, that the mode of its formation subjects it to a third fundamental principle, namely: the law of compact. We maintain that in every compact between two or more parties, the obligation is mutual; that the failure of one of the contracting parties to perform a material part of the agreement, entirely releases the obligation of the other; and that where no arbiter is provided, each party

is remitted to his own judgment to determine the fact of failure, with all its consequences.

In the present case, that fact is established with certainty. We assert, that fourteen of the States have deliberately refused for years past to fulfil their constitutional obligations, and we refer to their own Statutes for the proof.

The Constitution of the United States, in its 4th Article, provides as follows:

"No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up, on claim of the party to whom such service or labor may be due."

This stipulation was so material to the compact, that without it that compact would not have been made. The greater number of the contracting parties held slaves, and they had previously evinced their estimate of the value of such a stipulation by making it a condition in the Ordinance for the government of the territory ceded by Virginia, which now composes the States north of the Ohio river.

The same article of the Constitution stipulates also for rendition by the several States of fugitives from justice from the other States.

The General Government, as the common agent, passed laws to carry into effect these stipulations of the States. For many years these laws were executed. But an increasing hostility on the part of the non-slaveholding States to the Institution of Slavery has led to a disregard of their obligations, and the laws of the General Government have ceased to effect the objects of the Constitution. The States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, Illinois, Indiana, Michigan, Wisconsin and Iowa, have enacted laws which either nullify the Acts of Congress or render useless any attempt to execute them. In many of these States the fugitive is discharged from the service or labor claimed, and in none of them has the State Government complied with the stipulation made in the Constitution. The State of New Jersey, at an early day, passed a law in conformity with her constitutional obligation; but the current of anti-slavery feeling has led her more recently to enact laws which render inoperative the remedies provided by her own law and by the laws of Congress. In the State of New York even the right of transit for a slave has been denied by her tribunals; and the States of Ohio and Iowa have refused to surrender to justice fugitives charged with murder, and with inciting servile insurrection in the State of Virginia. Thus the constitutional compact has been deliberately broken and disregarded by the non-slaveholding States, and the consequence follows that South Carolina is released from her obligation.

The ends for which this Constitution was framed are declared by itself to be "to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

These ends it endeavored to accomplish by a Federal Government, in which each State was recognized as an equal, and had separate control over its own institutions. The right of property in slaves was recognized by giving to free persons distinct political rights, by giving them the right to represent, and burthening them with direct taxes for three-fifths of their slaves; by authorizing the importation of slaves for twenty years; and by stipulating for the rendition of fugitives from labor.

We affirm that these ends for which this Government was instituted have been defeated, and the Government itself has been made destructive of them by the action of the non-slaveholding States. Those States have assumed the right of deciding upon the propriety of our domestic institutions; and have denied the rights of property established in fifteen of the States and recognized by the Constitution; they have denounced as sinful the institution of Slavery; they have permitted the open establishment among them of societies, whose avowed object is to disturb the peace and to eloign the property of the citizens of other States. They have encouraged and assisted thousands of our slaves to leave their homes; and those who remain, have been incited by emissaries, books and pictures to servile insurrection.

For twenty-five years this agitation has been steadily increasing, until it has now secured to its aid the power of the Common Government. Observing the *forms* of the Constitution, a sectional party has found within that article establishing the Executive Department, the means of subverting the Constitution itself. A geographical line has been drawn across the Union, and all the States north of that line have united in the election of a man to the high office of President of the United States whose opinions and purposes are hostile to slavery. He is to be entrusted with the administration of the Common Government, because he has declared that that "Government cannot endure permanently half slave, half free," and that the public mind must rest in the belief that Slavery is in the course of ultimate extinction.

This sectional combination for the subversion

of the Constitution, has been aided in some of the States by elevating to citizenship, persons, who, by the Supreme Law of the land, are incapable of becoming citizens; and their votes have been used to inaugurate a new policy, hostile to the South, and destructive of its peace and safety.

On the 4th March next, this party will take possession of the Government. It has announced, that the South shall be excluded from the common Territory; that the Judicial Tribunals shall be made sectional, and that a war must be waged against slavery until it shall cease throughout the United States.

The Guaranties of the Constitution will then no longer exist; the equal rights of the States will be lost. The slaveholding States will no longer have the power of self-government, or self-protection, and the Federal Government will have become their enemy.

Sectional interest and animosity will deepen the irritation, and all hope of remedy is rendered vain, by the fact that public opinion at the North has invested a great political error with the sanctions of a more erroneous religious belief.

We, therefore, the people of South Carolina, by our delegates, in Convention assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, have solemnly declared that the Union heretofore existing between this State and the other States of North America, is dissolved, and that the State of South Carolina has resumed her position among the nations of the world, as a separate and independent State; with full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent States may of right do.

An Ordinance to Dissolve the Union between the State of South Carolina and other States united with her under the compact entitled "The Constitution of the United States of America."

We, the People of the State of South Carolina, in Convention assembled, do declare and ordain, and it is hereby declared and ordained,

That the Ordinance adopted by us in Convention, on the twenty-third day of May, in the year of our Lord one thousand seven hundred and eighty-eight, whereby the Constitution of the United States of America was ratified, and also, all Acts and parts of Acts of the General Assembly of this State, ratifying amendments of the said Constitution, are hereby repealed; and that the union now subsisting between South Carolina and other States, under the name of "The United States of America," is hereby dissolved.

THE REPUBLICAN PROGRAM

CHARLES F. DUNBAR

LINCOLN AND HIS Republican counselors were sure it was to be a short war and the first volunteers were called up for only three months. But whether it was to be short or long, secession at least offered this opportunity: in the absence of Southern Democrats the Republicans could carry out their economic program. American industry could be protected; the American coasts linked by rail; the American territories settled by free farmers; and the American currency muddle brought into order, although this last had not been written into the 1860 platform.

Through the decade since California had become part of the Union, a Pacific Railroad had been a national issue. But North and South had divided on the location of the road and the ensuing struggle had helped delay congressional plans to grant a subsidy. In 1862, the struggle was over; the proponents of a Southern route no longer sat in Congress; a Pacific Railroad could be built along the Platte route into Utah where it would be joined by railroad construction moving eastward from the Pacific.

To help link the Missouri country and the East with California, the incorporators of the Union Pacific were to be lent funds in government bonds and given the right to take building materials from along their right of way. In addition, they were to receive—following the example set by the Illinois Central grant—alternate sections of the public lands on each side of the right of way, this time the grant running to ten alternate sections or twenty square miles for each mile of road built. Two years later, in 1864, amendments to the original charter subordinated the government's lien on the road from a first to a second mortgage.

In the years thereafter, a controlling element among the original incorporators transferred the work of building the road—and the assets of land and subsidy—to the Credit Mobilier, a company in which they themselves had a leading interest. The resources of the railroad corporation were exploited, Union Pacific stock became a speculators' football, and the government's effort to collect its debt met defeat in the courts (at least, until the nineties); political reputations were tarnished following Congressional investigations. But the road was built.

For three decades at least, long before a Pacific Railroad had been even a promoter's dream, proposals to make the public lands more available to actual settlers had been a subject of Congressional debate. That debate had considered many propositions: bills to grant preemptions; to price land according to its quality; to cede to the states the public lands within their borders; to lower prices and make donations to indigent settlers; to continue selling the public domain and divide the proceeds among the States; to grant homesteads on the public domain to actual settlers "without money and without price." All these proposals had as their declared object, the use of the public lands to promote the national welfare; according to its sponsors, each plan would check speculation and aid the pioneer.

A general preemption law was passed in 1841, along with a short-lived measure for distributing the proceeds of public land sales among the states. During the fifties, however, the scheme to grant homesteads to actual settlers gained increasing support. The proposition was opposed by Southern representatives, who feared the growth of a barrier to the ex-

tension of slavery in the territories; by some Eastern and Northern conservatives, who believed free homesteads might actually initiate a drain of labor from urban and industrial centers; and by land speculators and subsidy seekers, who opposed earlier homestead bills which had clauses forbidding grants to any but actual settlers. A homestead bill, without that limitation, actually passed in 1859, only to be vetoed by Buchanan.

In 1862, the Republican party set about fulfilling another of its platform's promises. A bill providing homesteads on the public domain was passed and signed. All male citizens and heads of families might claim 160 acres of unoccupied public land and, if they resided on their claims for five years, they were entitled to a patent without payment other than the land-office fee. Henceforth, any man might have a farm for the cultivating—unless the tract he had chosen was on land given to the states for education or to the railroads for subsidy; or lay within some speculator's claim or on a site which might be inside the elastic boundaries of an Indian tribe whose title had not yet been extinguished by government purchase.

Following the failure of the Second Bank of the United States to win renewal of its charter and the subsequent establishment of the Sub-Treasury system, the issue of currency had been left to individual banks. Those on the Atlantic seaboard maintained specie payment, by and large, except in periods of economic depression; Southern and Western banks were less rigid in their concept of soundness, however, and a "Banknote Detector" became part of every merchant's equipment.

The Whig party had fought Jackson's effort to eliminate the national bank; it had opposed the Sub-Treasury, too; and though proposals for a national system of banking played only a small part in the Republican campaign of 1860, old-line Whig supporters of such a system remained strong in the party. Lincoln's Secretary of the Treasury, Salmon P. Chase, pressed Congress to reform American currency issues on Whig principles by organizing a banking system for the nation; but the proposal received slight support until the needs of war reinforced the Secretary's arguments. Then the national banking system was organized, not primarily to assure sound banking practice but rather to provide a uniform banknote currency of reasonable stability and also to afford a market for the United States bonds on which the currency was to be based.

In the essay reprinted here, Charles Franklin Dunbar (1830–1900) describes the organization and the operation of the banking system which served the nation from the time of the Civil War up to the establishment of the Federal Reserve System. Though Dunbar was writing in the nineties, his work is an outgrowth of his activity as editor of the *Boston Daily Advertiser*, which he had made a leading New England newspaper in the decade when the national banking system was being organized. Dunbar was a Harvard professor of economics who had come to that post after varied experience in business, farming, the law, and journalism. As teacher and administrator in the seventies, when true university education was beginning in the United States, Dunbar helped formulate the canons of university instruction in economics.

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The Establishment of the National Banking System

BY CHARLES F. DUNBAR

THE PLAN of establishing a system of national banks, whose notes should take the place of those issued by the state banks, was first presented in definite shape in the report of the Secretary of the Treasury, at the beginning of December, 1861. Mr. Chase started in his discussion of the subject

from the consideration that by some process the advantage of issuing a paper circulation, amounting to not far from $150,000,000 in the loyal states, ought to be transferred from the issuing banks to the government, and that the moment was opportune for such a change. He referred to the lack of system in the existing circulation, the insecurity of the bank-notes, the heavy losses suffered by the public, and especially to the recent misfortunes of banks in the Mississippi Valley, to enforce upon Congress the duty of protecting the public from such evils in the future. Two methods were suggested by him, in which all the objects aimed at in the proposed reform might be attained,—first, the issue of United States notes in place of bank-notes; and second, a national system for the issue of bank-notes, to be redeemed by the isuing banks, but secured by the pledge of United States bonds. The plan of issuing United States notes Mr. Chase rejected, believing that its possible disasters far outweighed its probable benefits. It is interesting to observe, in view of what soon followed, that the possible disasters which so powerfully affected his judgment were, the issue of notes under great temptation without adequate provision for redemption, the risk of "a depreciated, depreciating, and finally worthless paper money," and "the immeasurable evils of dishonored public faith and national bankruptcy," all then being "possible consequences of the adoption of a system of government circulation."[1] Mr. Chase turned, therefore, in accordance no doubt with some predilections as well as with logic, to the second plan, a secured national bank currency, and recommended this for adoption by Congress.

A bank currency thus secured, Mr. Chase was careful to point out, besides its advantages of uniformity and security, would also offer the further advantage of a large demand for government securities and of facilities for obtaining the loans required by the war. In addition it would strengthen and diffuse the interest in preserving the Union, by making the government stocks the basis for the circulation in general use, and would also secure equality of value for the paper currency in every part of the Union. The device of securing bank-notes by a pledge of public stocks had been shown to be practicable and useful by the experience of New York and of some other states, and notes issued upon this system would now have a solid basis, in the large amount of specie retained in the United States by the requirement that duties on imports should be paid in coin. To these considerations it was wisely added that by offering inducements to existing solvent institutions to adopt the national system, the transition from a heterogeneous and unsafe currency to one which should be uniform and sound could be effected almost imperceptibly and the evils of a great and sudden change could be avoided.

But although Mr. Chase believed that this plan might be perfected and passed by Congress before the end of the session of 1861–1862, and that it might be serviceable in obtaining the loans needed for the current year, it was after all a leisurely expedient for filling the treasury of a country in the throes of civil war, and events were already moving too fast for his calculations. Although his report made no reference to any immediate pressure on the Treasury and no suggestion of any new expedient for its rapid replenishment, the suspension of specie payment had already become as nearly certain as any future event can be. By some of the bank managers suspension had been contemplated for many weeks as the probable result of the locking up of their resources in government bonds and the gradual dissipation of their reserves by payments to the Treasury. By the first week in December this double process was so far advanced and the public disquiet was so great as to leave no doubt as to the issue in the minds of cool observers. The shock to credit was precipitated by a sudden alarm as to the possible war with England, and after some struggle the banks suspended on the 30th of December—earlier than they might have done had no special strain come upon them, but, after all, under the pressure of an irresistible movement, of which the cause was to be found in the policy pursued by the government in its dealings with them.

As a consequence of the suspension of specie payments, Mr. Chase found himself confronted by the demand for an issue of government notes, as a ready source of supply for the Treasury, before it was possible for him to draft a bill for a bank system. Interest at once centred upon this apparently unexpected demand, and the discussion had its issue in the first legal-tender act, approved February 25, 1862. By this act Congress, with a recommendation reluctantly given by the Secretary, adopted the expedient rejected by Mr. Chase in his report of December 9, and established a government currency, giving it, moreover, the quality of legal tender, which was probably not contemplated by him as possible, or as admissible even if possible. The plan of a bank currency, favored by Mr. Chase, then took the second place, and was finally thrown over to the next session of Congress.

[1] *Finance Report*, 1861, p. 18.

It was pointed out at the time, and there seems to have been great force in the suggestion, that all the advantages of a secured currency could be gained by a method much more expeditious than the elaboration of a complete system of national banks. A comparatively simple measure, by which existing banks should be required to secure their notes by the pledge of United States bonds, to be placed in the custody of the Treasury, would have made their issues uniform and safe, and would have made them large permanent investors in government bonds. The banks of the three cities, New York, Boston, and Philadelphia, taken by themselves, had at the date of the suspension of payments an aggregate capital of $1,200,000,000, and against their liabilities for deposits and circulation amounting to $181,600,000 held a specie reserve of $44,000,000, or twenty-four per cent. The issues of these banks, it was pointed out, if secured by bonds, could be used by the government as safely as its own notes; the banks could be used as general depositories by the Treasury without risk; the inconveniences of the Independent Treasury, which adjusted itself with difficulty to the new conditions created by war, could be avoided; and the system which thus embraced the banks of the great cities could include without difficulty any bank anywhere that was strong enough to comply with the terms of such an arrangement. But whatever the financial merits of such an improvised national circulation may have been, it was not politically feasible. The existing banking interests were not then agreed as to the larger questions involved in their relations with the government; the public were not prepared for a revolution in the policy of the government with respect to banks; and finally the Secretary himself, having in mind the comprehensive scheme of a permanent national banking system, was little inclined to adopt a measure which, falling short of his aim, might be found ultimately to stand in his way. The proposition had little strength then and attracted but little attention.

When Mr. Chase again brought forward his plan,[2] at the beginning of the session of 1862–1863, it was under greatly altered conditions. Two legal-tender acts had been passed, giving authority for the issue of $250,000,000 of United States notes, and of this amount all but $27,000,000 had been paid out. The price of gold had been rising through the year and now stood above 130, and the prices of merchandise were advancing. It was estimated by the Secretary that the banks of the loyal states in the course of twelve months had increased their circulation from $130,000,000 to $167,000,000, and their deposits from $205,000,000 to $354,000,000, making an increase of liabilities under both heads of about thirty per cent, and had increased their investments by not far from $70,000,000. With great ingenuity of reasoning he contended that nearly the whole increase in the volume of the currency was "legitimately demanded by the changed condition of the country," but that if there were any redundancy it was due to the issues of the banks and not to the new element added to the circulation by the government.

In this state of things, with what appeared to most observers an alarming depreciation well under way, the need of funds for the immediate wants of the Treasury was again pressing. The sale of the bonds authorized by the legal-tender acts had been trifling, and comparatively little was to be counted upon from that source. Indeed, Congress had blocked the way to any important sales, by providing that the bonds should be sold by the Treasury at the market price only,[3] and that legal-tender notes should be exchangeable for bonds at the pleasure of the holder, thus in effect limiting the price of bonds to par, and leaving purchasers little chance for a profit. The repeal of these provisions Mr. Chase asked for and secured at the end of the session, together with authority for borrowing in other forms to a vast amount. It was not by his advice,[4] however, that Congress at the same time made its third resort to an issue of legal-tender notes, authorizing an increase of the active legal-tender currency to $400,000,000, and the issue of an equal amount of legal-tender notes in other forms. He still maintained that an issue of government notes as a permanent system was open to grave objection, and that if it were used for temporary relief, it must be with a sparing hand; and he was more firmly persuaded than ever that the cure for the increasing disorder of the currency must be found in the resort to national bank-notes as the substitute for

[2] *Finance Report*, 1862, p. 17.

[3] Chase construed the provision of the statute authorizing the sale of bonds "at the market value thereof" to prevent sales below the current New York quotations, though in Congress the view was expressed that market rate signified whatever price the government could secure. Chase was clearly right, for otherwise the provision in question would have had no reason for its insertion.

[4] As in the case of the earlier legal-tender acts, Chase readily acquiesced in the views of the majority in Congress. In January, 1863, he prepared a bill, in response to a request from the Senate Committee on Finance, as a substitute for a pending measure authorizing a further issue of greenbacks, and his substitute accepted that proposal, merely adding provisions to facilitate the sale of bonds.—*Cong. Globe*, p. 270.

all other paper issues. He therefore pressed upon Congress at some length the considerations which weighed with him in favor of immediate legislation for this purpose.

A comparison of the reasons urged by Mr. Chase in 1862 with those briefly indicated by him in 1861 shows little change in his general estimate of the advantages promised by a permanent system of national banking. He adds in 1862 the consideration that under such a system the banks could be used safely as depositories in connection with the Independent Treasury, with advantages which perhaps experience had finally led him to rate more highly than at first. He also declares his opinion that in no way can the ultimate resumption of specie payment be made so certain as by the conversion of the entire paper circulation into an issue of bank-notes, secured by bonds bearing coin interest. On the whole the suggested advantages of the system, although substantial, are remote. Even the direct gain expected from the absorption of bonds by the banks is described as a sale amounting to $250,000,000 or more "within a very few years," promising, however, very little aid during the current year, and perhaps not much for the next. In this part of his recommendation, Mr. Chase, in December, 1862, was looking far beyond the wants of the moment, to the time when the legal-tender notes, after serving their temporary purpose, should have disappeared, and the bank-notes should have become the sole and permanent currency; and so far did he carry his forecast of the future in this respect that he even took note of the probable payment of the national debt, and the necessity in this case of finding some new basis for the bank circulation. "But these considerations," he said, "may be for another generation."

The national currency bill, which by the strong influence of Mr. Chase and his supporters was passed by Congress and became a law February 25, 1863,[5] was framed on the familiar lines of the New York system, with details perfected by comparison with the banking systems of other states. It prescribed no limit for the number of national banking associations, but fixed the aggregate of notes to be issued by them at $300,000,000. Of this aggregate one-half was to be apportioned among the states, territories, and the federal district in proportion to population, and one-half to have due regard to "existing banking capital, resources, and business." The notes were to be issued under the superintendence of a Comptroller of the Currency, to be secured by interest-bearing bonds of the United States, and to be redeemable in "lawful money," this term including legal-tender notes as well as specie. The banks were not required, however, to redeem their notes anywhere except at their own counters. Provision was made for the organization of banking associations by any applicants who should comply with certain conditions named in the act, and also for the conversion of state banks into national banking associations upon application in due form. By a provision inserted upon motion of a Senator from New York and but little discussed, it was also provided that any state bank, holding United States bonds to the extent of one-half its capital, might, upon transferring the bonds to the Treasurer of the United States, be authorized to issue notes to the amount of eighty per cent of the bonds transferred, the notes thus issued being supplied by the Comptroller of the Currency and payable at the Treasury in case of the failure of the issuing bank, in the same manner as other notes issued under the act.

This bill did not pass without difficulty. In the Senate the vote upon its passage was 23 yeas to 21 nays and in the House 78 yeas to 64 nays. These votes did not closely represent either political or sectional divisions, members of the same party from the same state being in some cases upon opposite sides. The bill had to encounter objections resting upon several different grounds. Not only was it opposed by some for political reasons and merely as a measure of the administration, but it was also viewed with great distrust by others, as a proposition for a vast financial consolidation, incomparably more formidable than the former Bank of the United States. The friends of the state banks eyed it with special jealousy, believing that the two systems, national and local, could not long stand side by side; and in this they were justified by the avowed purpose of Mr. Chase, and by the strong language of some of his adherents. And among those who might not have been averse to a national banking system under some conditions, there was doubt and apprehension as to the opportuneness and the details of this particular measure. While the bill was under discussion, Congress was maturing the third legal-tender act, and the premium on gold, which had passed thirty in December, was rising from fifty to sixty, passing the latter point before the vote on the bank bill was taken in the House. The Secretary had seen in the bill a means for prescribing more surely for ultimate specie payment; but, it was asked, what safe reliance could there be upon a system under which solvency meant simply payment in depreciating paper and the security against insolvency was found in bonds which

[5] 12 "Statutes at Large," p. 665.

were sinking with the paper? In ordinary times the bill probably could not have made its way against these various elements of opposition; but no inconsiderable part of its strength was due to the gloomy circumstances of the winter of 1862–1863. In Congress as well as among the people at large the resolution to stand by the government carried many to the point of relinquishing private objections to a measure declared necessary by the administration; and so the bank bill gained a majority, not resting altogether upon conviction.

Capital showed but little alacrity in organizing under the bank act of 1863. Seven months after its passage only 66 banks, with a capital of little over $7,000,000, had begun operations, and ten months from its passage only 139, with a capital of $14,740,000, reported to the Comptroller. The six states, Ohio, Indiana, Illinois, Michigan, Iowa, and Wisconsin, supplied 35 out of the 66 banks reporting in October, 1863, and 79 out of the 139 reporting in January, 1864. At the latter date New England had organized but 14 national banks, New York 16, and Pennsylvania 20. The Comptroller of the Currency regretted the opening of so many new banks in states where there was no deficiency of banks already. In general, in the first year under the new act, a few strong banks had been established, as the First and Second National Banks of New York, the First of Philadelphia, the First of Pittsburg, the First of Cincinnati, and the First of Chicago; but the existing banks for the most part held aloof, and new capital came in but sparingly. The report of the banks in the beginning of April, 1864, showed an investment by them in United States bonds of but $41,175,100. At this time, however, the importance of the new system as a market for government securities had pretty well disappeared. The desire of the administration, expressed on every occasion, was that the great mass of state banks, and especially the strong institutions in the older states, should be reorganized as national banks. These banks had already become large holders of government obligations, for reasons quite unconnected with any possible future reorganization under the national system. The depression of business which continued through the years 1862 and 1863 had diminished the demand for regular commercial loans, and many banks with large resources at command found it difficult to procure the usual amount of business proper. Tempted by the high rate of income which securities bearing gold interest began to pay, and anxious to employ their funds, banks were investing freely in bonds of the United States and also in one-year certificates of indebtedness issued by the Treasury. In November, 1863, the banks of Massachusetts, though but three among them were national banks, owned government securities to the amount of over $53,000,000; and the banks of New York, city and country, probably held similar investments to an amount not far below their capital of $109,000,000. These holdings were unequally distributed, no doubt, but they far exceeded in the aggregate the amount of securities which the banks would have been required to deposit under the national bank act, so that the absorption of the existing banks by the national system then promised to create little additional demand for bonds.

The interest in the new system had in fact been concentrated entirely upon its practical merits and upon the expediency of substituting it for the state system. From the passage of the act of 1863 the Treasury had pursued the policy of actively stimulating the adoption of the national system. By a fortunate choice Mr. Hugh McCulloch, president of the Bank of the State of Indiana, had been appointed Comptroller of the Currency,—a gentleman widely known as an experienced and prudent manager and a strong advocate of a sound currency, originally opposed to the passage of the act, but finally convinced of its expediency and the wisdom of its leading provisions. It was characteristic of the policy of the Treasury as administered by McCulloch, that while the conversion of state banks into national was urged by every argument and persuasion, those sections of the bank acts which allowed the deposit of bonds and issue of notes without the abandonment of state charters remained dormant. The Comptroller, in a public circular, discouraged the use of these provisions, and although he admitted that if applications were made he "must obey the law," it is probable that his discouragement was in every case as emphatic as he found necessary for complete effect. It was his opinion that the state systems and the national could not long coexist; "one or the other will fully occupy the field," and he had no doubts which would and should be the survivor. The issue was made up, then, in 1863, and the real object of public debate was henceforward the national system, its merits, and its general adoption.

The year 1863 was therefore a year of discussion, fruitful in pamphlets, criticisms, and propositions for amending the act. In some cases writers, representing large existing interests, showed a deep distrust for the whole scheme, and were ready to see state bank issues withdrawn and the field of circulation temporarily occupied by Treasury notes, rather than embark the whole banking capital of the country in an experiment.

On all sides defects in the act were pointed out which justified the reluctance of solid banks to take out new charters under it. It was urged that the redemption of bank-notes at convenient centres was absolutely necessary in order to hold individual banks to any responsibility whatever and as a safeguard against general overissue. Provision for requiring the accumulation of surplus, omitted in the act of 1863, was called for to insure the strengthening of weak banks. It was pointed out that the act did not make the government responsible for the safety of the bonds deposited with it, and that the banks were therefore called upon to entrust a vast amount of securities to the fidelity of agents over whom they had no control. The act had authorized the Secretary of the Treasury to employ national banks as depositories of the public moneys at his discretion, but without any requirement as to security; and it was urged that although with proper provisions of this kind the banks could be used as depositories freely and the proved inconveniences and evils of the Independent Treasury greatly mitigated, any system of deposit banks without such provision must be liable to abuse and would probably be found dangerous. The act had also made no provision for the voluntary winding up of banks, so that the extrication of capital from an unprofitable business appeared to be impossible. In much that was written in that year it was either assumed or advised that the provisions for the issue of secured national notes by state banks, contained in the act of 1863, should be retained and brought into use; and the policy of discouragement pursued by the Comptroller of the Currency, already referred to, did not escape sharp criticism. There was also very general condemnation of the practice adopted by the Comptroller, apparently without warrant of law, of requiring all banks reorganizing under the national act to give up their distinctive names and become simply the First, Twentieth, or Fortieth National Bank of some town or city, as might happen. The names of established banks represent a good will and an earned reputation and credit. They are also a security for the public, who know banks by name for good or ill, but cannot have an equal familiarity with a list of mere numbers. The Comptroller had urged as a reason for requiring the use of numbers instead of names by reorganized banks that all who came under the system had an interest in "making it symmetrical and harmonious, as well as national," but it was difficult to believe that this was all; and, with the strong objection to partial loss of identity felt by the banks, there was also a certain vague impression that something more than met the eye was implied in the proposition to make them all indistinguishable members of a vast system having its centre of control at Washington.

At the session of 1863–1864 Congress proceeded to revise the whole system in the light of the year's experience. A bill for that purpose was reported March 13, 1864, and from that time the subject was before Congress, in one form or another, until the final votes of the two Houses on May 31 perfected the measure, under which the national banking system was at last fully established. Many of the suggestions brought forward in popular discussion had been adopted by the Comptroller and recommended in his annual report at the beginning of the session, and others were adopted by Congress upon advice received from other sources. The law was completely recast. The provision for apportioning the $300,000,000 of circulation among the states was repealed; it was provided that only registered bonds should be deposited as security, and that the property of the banks should thus be made safe while in the hands of the government; redemption of notes by every bank in some reserve city, as well as at its own counter, was provided for; the accumulation of a surplus equal to at least one-fifth of the capital of any bank was required; provision was made for requiring full security from banks used as depositories by the Treasury; the provisions as to the amount of capital and the terms on which a bank could begin its business were somewhat strengthened; and in short the whole system was made firmer and more harmonious. Without entering into the details of the legislation, it is enough to say that in the act of June 3, 1864, the national banking system took the form which in essentials it still retains.

In its provisions with respect to the state banks the act of 1864 made two significant changes. It provided expressly that state banks reorganizing under the national system might come in under their former names and without change in the amount of their shares. Special provision was even made for the exemption of stockholders from personal liability, under conditions intended to meet the case of the Bank of Commerce of New York and in fact applicable to no other.[6] The sections, however, which allowed the issue of secured national currency to state banks were omitted in the revised act, and thus Congress planted itself finally on the ground of an exclusively national system, and invited the adhesion of all existing

[6] This exemption applied to existing state banks having a capital of not less than $5,000,000 and a surplus of twenty per cent.

banks, but rejected any connection short of complete responsibility to national authority. No special taxation was prescribed for the purpose of compelling the adhesion of distrustful or reluctant banks, but the language used by the advocates of the new law left little room for doubt that such measures would follow. For the present it was enough that the current of public opinion was setting in favor of the national system, and that many who had once opposed it now accepted the settled policy of the government and withdrew their opposition.

The hesitation of the state banks as to reorganizing under the national system began to give way in the summer of 1864. The discussion of the system in Congress and the adoption of the amended act removed many special objections to the law, and made it certain that final acquiescence would be the only condition on which the right of issue could be enjoyed. The financial strain of the war and the depreciation of the currency, shown by the price of gold, which fluctuated violently between 200 and 285, had put an end to all probability of an early recovery, and made a long dependence on legal-tender paper of uncertain value altogether likely. To adjust themselves to the present state of things began then to be thought wise by many who had hitherto maintained a merely expectant attitude. The announcements of intention to reorganize began to be frequent in June and July. At the close of November the Comptroller reported that 584 national banks were in existence, of which probably about one-third were reorganized state banks; and he was able to say that of the last 100 banks organized, 67 were state banks, that nearly all the banking capital of Philadelphia had then been reorganized, and that of the numerous applications then coming in most were for the conversion of old banks. It was noticeable, however, that at that time only one of the banks in New York City had reorganized, although several new banks had been established under the national system. Indeed, the Comptroller was plainly embarrassed by the hostile influence of the banks in New York; for after noticing the fear of some that the national banks might reproduce the evils of the weaker state banks, he remarked in thinly veiled language that these apprehensions, entertained "or professed to be entertained by the bankers of a state, in which a system similar in some of its main features was in practical operation, intimidated for a time the capitalists of other states, and retarded the reorganization of state banks." A group of New York banks, however, took steps looking in the direction of reorganization in December;[7] by the end of that month 21 of the Boston banks had reorganized, and the stream of applications soon became so strong that nearly 500 banks were chartered in the five months from December 1, 1864, a large proportion of them being state banks reorganized. The change from the old system to the new went on throughout the year 1865, and at the close of December was nearly complete, 1582 banks then reporting to the Comptroller, of which more than 900 were formerly state banks.

Several influences had expedited this change. In the states having a large amount of bank capital, enabling acts had been passed in many cases, authorizing incorporated banks to exchange their state charters for those of the United States without dissolution or winding up, thus preventing the expense, interruption to business, and loss incident to the collection and distribution of assets which would otherwise have been necessary upon the cessation of corporate existence under state laws, and making the reorganization a merely formal proceeding which left the identity of a bank unchanged. Acts of this sort were adopted in 1863 and 1864 by Massachusetts, Connecticut, and Pennsylvania, and early in 1865 by Maine, Rhode Island, New York, New Jersey, Maryland, and Indiana. In some states, also, as in Massachusetts, the neglect or disinclination of the legislature to repeal the special tax laid by the state upon its banks had a serious effect in turning the scale in favor of change.

Far more important, however, was the influence exerted by the belief that Congress would take steps to drive from the field all notes issued by state banks, and the passage of a measure for this purpose, to take full effect in 1866. The Comptroller of the Currency, in the first year of the new system, had refrained from advising any such action, but in his report of 1864 he clearly expressed the opinion that the time had come for Congress to compel the withdrawal of all state issues.

When the bill amending the internal revenue act came before the House at the session of 1864–1865 this subject was discussed in a somewhat desultory manner, and opinion was found to be evenly divided, but the House finally, on Feb-

[7] The Fourth National, the first bank with large capital to be organized in New York under the national system, was due to the influence of Jay Cooke; and the fear of the formation by him of a bank with a capital of $50,000,000 is said by Mr. Cooke to have been a factor in the change of policy of the other banks. See "A Decade of American Finance," *North American Review*, November, 1902.—EDITOR'S NOTE.

ruary 18, by a vote of 68 to 67, inserted in the bill a section imposing a tax of ten per cent on all state bank notes paid out by any national or state bank after January 1, 1866. The bill then went to the Senate, and on March 1 a motion to strike out this section was refused by a vote of 20 to 22. On the next day the section was amended by substituting July 1 for January 1 as the date when the tax should take effect, and a motion to strike out was then refused, 17 to 21. This amendment was assented to by the House upon the report of a committee of conference, and the section accordingly became a part of the internal revenue amendment act, approved March 3, 1865. It was looked upon by all parties as the natural sequel of the national bank acts, delayed by doubt or policy for a time, but in fact a vital part of the scheme. It suppressed the state bank notes by destroying the profit of issue, but it avoided the severity of some propositions for the same object, which would have taxed outstanding circulation. or would have taken effect earlier; and this degree of moderation was apparently necessary for the success of the measure in either House. Adopted at a moment when the establishment of the national system was well advanced, the section stood as a threat for the next sixteen months; and when at last it took effect, the state bank issues were rapidly disappearing.

There is no doubt also that the high premium on gold from the spring of 1864 to the spring of 1865 had an important influence in bringing many banks to an immediate decision of the question of reorganization. When the suspension of specie payments took place, the banks in twenty-two loyal states, excluding those on the Pacific coast, held not far from $76,000,000 in specie, of which the banks of Boston, New York, and Philadelphia held $33,000,000. During the year 1862 the holdings for all the states referred to were above $81,000,000, and the banks in the three cities at the end of the year had a specie reserve of $48,000,000. The high rates for gold which prevailed throughout 1863 tempted many banks to sell their coin, and probably caused a considerable redistribution of that which remained; but in January, 1864, the banks in the three cities still held $37,000,000. Gold was then quoted at one hundred and fifty-one, but it soon began to advance rapidly. On the 21st of June it passed two hundred, and with violent fluctuations remained above this point for most of the time until March, 1865. There was plainly a strong inducement for banks holding large stocks of gold but carrying on their business upon the paper basis, obliged to receive legal-tender notes in all payments, and not bound to make payment in any other medium, to sell their specie for legal tender at these high rates. So long as any need of preparation for eventual specie payments had been felt to exist, or so long as further advance in the premium on gold was looked for, the specie might well be held; but as affairs stood in the summer of 1864 it is not surprising that the disposition to collect the profit to be made by the sale of gold began to strengthen.

Not a few of the more conservative managers of the banks saw with regret this tendency to place the whole business of banking upon the paper basis and were reluctant to admit that all the responsibility for facilitating an ultimate return to the specie standard could be thrown upon the government. From several quarters the proposition was made that the national banks should be required to accumulate as a specie reserve some part of the coin interest received by them on the bonds deposited to secure their notes. The New York Clearing-house banks proposed a small accumulation of this kind, which was rejected by the House without a count. In the Senate, Mr. Collamer of Vermont proposed that one-half of the coin interest should be added by the banks to their reserves until the entire reserve required by law should consist of coin. Amended so as to require but one-fourth of the coin interest to be so retained, Mr. Collamer's proposition was rejected by a vote of 15 to 20; and thus the amended law of 1864 went into effect in a form which completely ignored the question of providing for a return to specie. The banks sold their gold freely as a preparation for reorganizing under the national system, and the gold thus released swelled the strong current of exported metal, forced out of the country by the paper currency in the years 1864, 1865, and 1866. By July, 1865, the specie held by the banks in the three cities, Boston, New York, and Philadelphia, had sunk to $20,000,000, and by January, 1866, the aggregate of specie held by the 1582 national banks of the United States was under $20,000,000, and so far as shown by the quarterly reports it remained below this point until 1868. In some cases the profit reaped by the banks from the sale of their specie, with other undivided profits already in hand, was paid out as an extra dividend to stockholders upon the surrender of the state charters; in others it was used as the foundation for the surplus which national banks were required to accumulate to the extent of one-fifth of their capital, or was added to surplus funds already held; and in others still the opportunity was taken to increase capital by making stock dividends.

SLAVERY AND EMANCIPATION

GREELEY-LINCOLN CORRESPONDENCE

THE GREELEY-LINCOLN correspondence reflects the conflict between antislavery and Unionist sentiment which was to be continued through the decade following the Civil War. The objective of Unionist policy was the preservation of the nation. To that end, the slave Border states—Missouri, Kentucky, Delaware, and Maryland—must be kept from seceding. Military measures alone were not sufficient; the Border states must be conciliated and their property rights protected. In that spirit, federal military commanders were required to return fugitive slaves to their masters, and Frémont's proclamation freeing the slaves of rebel Missourians was rescinded. Not until 1862 did Congress provide against the army's return of fugitive, captured, or refugee slaves, although the administration remained more than considerate of the rights of the loyal slaveholders.

To antislavery men like Horace Greeley, the Lincoln administration was following a policy of rewarding its enemies and punishing its friends. Greeley stated this strongly in his *Tribune* editorial of August 19, 1862, in which he urged Lincoln to make emancipation a federal policy. Lincoln replied caustically, declaring that his purpose was to save the Union; emancipation was an irrelevant issue.

Yet, within a month, Lincoln issued his Preliminary Proclamation of Emancipation. The war was still being fought to preserve the Union, but compensation was offered those slave states, not in rebellion, which should provide for the immediate or even the gradual abolition of slavery. From the first of January, 1863, all slaves in areas still in rebellion by that date were to be free.

Nearly all the South remained in rebellion by the date set; thereupon, the definitive Emancipation Proclamation was issued. Interestingly enough, not all parts of the original seceding states were included, for the whole of Tennessee and West Virginia and a number of parishes in Louisiana were excepted from the Proclamation. It was a military measure, to become effective largely in the future, since the South must be conquered before its slaves could be freed. Yet the Proclamation clarified the situation for the antislavery men at least; the bondsmen of rebels were not only to be freed but were to be received into the armed forces in a limited measure. The Proclamation said on this point: "such persons will be received into the armed services of the United States to garrison forts, positions, stations, and other places, and to man vessels of all sorts in said service." Thus, Lincoln was not yet ready to welcome Negroes as combatant troops. Yet, the very fact that slaves were urged to refrain from violence except in self-defense seemed a step in advance: to admit that a slave was entitled to defend himself implied self-ownership, and that meant the ultimate admission of freedom as a right, not a mere military necessity.

Greeley's editorial is reprinted from the New York *Tribune* for August 19, 1862; Lincoln's reply and the Preliminary Proclamation from contemporary newspapers.

The Prayer of Twenty Millions

BY HORACE GREELEY

To Abraham Lincoln, President of the United States:

Dear Sir: I do not intrude to tell you—for you must know already—that a great proportion of those who triumphed in your election, and of all who desire the unqualified suppression of the rebellion now desolating our country, are sorely disappointed and deeply pained by the policy you seem to be pursuing with regard to the slaves of rebels. I write only to set succinctly and unmistakably before you what we require, what we think we have a right to expect, and of what we complain.

I. We require of you, as the first servant of the Republic charged especially and preeminently with this duty, that you EXECUTE THE LAWS. . . .

II. We think you are strangely and disastrously remiss in the discharge of your official and imperative duty with regard to the emancipating provisions of the new Confiscation Act. Those provisions were designed to fight Slavery with Liberty. They prescribe that men loyal to the Union, and willing to shed their blood in her behalf, shall no longer be held, with the nation's consent, in bondage to persistent, malignant traitors, who for twenty years have been plotting and for sixteen months have been fighting to divide and destroy our country. Why these traitors should be treated with tenderness by you, to the prejudice of the dearest rights of loyal men, we cannot conceive.

III. We think you are unduly influenced by the councils, the representations, the menaces, of certain fossil politicians hailing from the Border Slave States. Knowing well that the heartily, unconditionally loyal portion of the white citizens of those States do not expect nor desire that Slavery shall be upheld to the prejudice of the Union—(for the truth of which we appeal not only to every Republican residing in those States, but to such eminent loyalists as H. Winter Davis, Parson Brownlow, the Union Central Committee of Baltimore, and to *The Nashville Union*)—we ask you to consider that Slavery is everywhere the inciting cause and sustaining base of treason: the most slaveholding sections of Maryland and Delaware being this day, though under the Union flag, in full sympathy with the rebellion, while the free labor portions of Tennessee and of Texas, though writhing under the bloody heel of treason, are unconquerably loyal to the Union. . . . It seems to us the most obvious truth, that whatever strengthens or fortifies Slavery in the Border States strengthens also treason, and drives home the wedge intended to divide the Union. Had you, from the first, refused to recognize in those States, as here, any other than unconditional loyalty—that which stands for the Union, whatever may become of Slavery—those States would have been, and would be, far more helpful and less troublesome to the defenders of the Union than they have been, or now are.

IV. We think timid counsels in such a crisis calculated to prove perilous, and probably disastrous. It is the duty of a Government so wantonly, wickedly assailed by rebellion as ours has been, to oppose force to force in a defiant, dauntless spirit. It cannot afford to temporize with traitors, nor with semi-traitors. It must not bribe them to behave themselves, nor make them fair promises in the hope of disarming their causeless hostility. Representing a brave and high-spirited people, it can afford to forfeit any thing else better than its own self-respect, or their admiring confidence. For our Government even to seek, after war has been made on it, to dispel the affected apprehensions of armed traitors that their cherished privileges may be assailed by it, is to invite insult and encourage hopes of its own downfall. The rush to arms of Ohio, Indiana, Illinois, is the true answer at once to the rebel raids of John Morgan and the traitorous sophistries of Beriah Magoffin.

V. We complain that the Union cause has suffered, and is now suffering immensely, from mistaken deference to rebel Slavery. Had you, sir, in your Inaugural Address, unmistakably given notice that, in case the rebellion already commenced, were persisted in, and your efforts to preserve the Union and enforce the laws should be resisted by armed force, *you would recognize no loyal person as rightfully held in Slavery by a traitor*, we believe the rebellion would therein have received a staggering if not fatal blow. At that moment, according to the returns of the most recent elections, the Unionists were a large majority of the voters of the slave States. But they were composed in good part of the aged, the feeble, the wealthy, the timid—the young, the reckless, the aspiring, the adventurous, had already been largely lured by the gamblers and negro-traders, the politicians

by trade and the conspirators by instinct, into the toils of treason. Had you then proclaimed that rebellion would strike the shackles from the slaves of every traitor, the wealthy and the cautious would have been supplied with a powerful inducement to remain loyal. . . .

VI. We complain that the Confiscation Act which you approved is habitually disregarded by your Generals, and that no word of rebuke for them from you has yet reached the public ear. Frémont's Proclamation and Hunter's Order favoring Emancipation were promptly annulled by you; while Halleck's Number Three, forbidding fugitives from slavery to rebels to come within his lines—an order as unmilitary as inhuman, and which received the hearty approbation of every traitor in America—with scores of like tendency, have never provoked even your remonstrance. . . . And finally, we complain that you, Mr. President, elected as a Republican, knowing well what an abomination Slavery is, and how emphatically it is the core and essence of this atrocious rebellion, seem never to interfere with these atrocities, and never give a direction to your military subordinates, which does not appear to have been conceived in the interest of Slavery rather than of Freedom.

VIII. On the face of this wide earth, Mr. President, there is not one disinterested, determined, intelligent champion of the Union cause who does not feel that all attempts to put down the rebellion and at the same time uphold its inciting cause are preposterous and futile—that the rebellion, if crushed out to-morrow, would be renewed within a year if Slavery were left in full vigor—that army officers who remain to this day devoted to Slavery can at best be but half-way loyal to the Union—and that every hour of deference to Slavery is an hour of added and deepened peril to the Union. I appeal to the testimony of your ambassadors in Europe. It is freely at your service, not at mine. Ask them to tell you candidly whether the seeming subserviency of your policy to the slaveholding, slavery-upholding interest, is not the perplexity, the despair of statesmen of all parties, and be admonished by the general answer!

IX. I close as I began with the statement that what an immense majority of the loyal millions of your countrymen require of you is a frank, declared, unqualified, ungrudging execution of the laws of the land, more especially of the Confiscation Act. That act gives freedom to the slaves of rebels coming within our lines, or whom those lines may at any time inclose—we ask you to render it due obedience by publicly requiring all your subordinates to recognize and obey it. The rebels are everywhere using the late anti-negro riots in the North, as they have long used your officers' treatment of negroes in the South to convince the slaves that they have nothing to hope from a Union success—that we mean in that case to sell them into a bitter bondage to defray the cost of the war. Let them impress this as a truth on the great mass of their ignorant and credulous bondmen, and the Union will never be restored—never. We cannot conquer ten millions of people united in solid phalanx against us powerfully aided by Northern sympathizers and European allies. We must have scouts, guides, spies, cooks, teamsters, diggers and choppers from the blacks of the South, whether we allow them to fight for us or not, or we shall be baffled and repelled. As one of the millions who would gladly have avoided this struggle at any sacrifice but that of principle and honor, but who now feel that the triumph of the Union is indispensable not only to the existence of our country but to the well-being of mankind, I entreat you to render a hearty and unequivocal obedience to the law of the land.

Yours,

Horace Greeley.

Lincoln's Reply to Greeley

Executive Mansion, Washington, Aug. 22, 1862.

Hon. Horace Greeley:

Dear Sir—I have just read yours of the 19th instant, addressed to myself through the New York *Tribune*.

If there be in it any statements or assumptions of fact which I may know to be erroneous, I do not now and here controvert them.

If there be any inferences which I may believe to be falsely drawn, I do not now and here argue against them.

If there be perceptible in it an impatient and dictatorial tone, I waive it in deference to an old friend whose heart I have always supposed to be right.

As to the policy I "seem to be pursuing," as you say, I have not meant to leave any one in doubt. I would save the Union. I would save it in the shortest way under the Constitution.

The sooner the national authority can be restored the nearer the Union will be—the Union as it was.

If there be those who would not save the Union unless they could at the same time save slavery, I do not agree with them.

If there be those who would not save the Union unless they could at the same time destroy slavery, I do not agree with them.

My paramount object is to save the Union, and not either to save or destroy slavery.

If I could save the Union without freeing any slave, I would do it—if I could save it by freeing all the slaves, I would do it—and if I could do it by freeing some and leaving others alone, I would also do that.

What I do about slavery and the colored race, I do because I believe it helps to save this Union, and what I forbear, I forbear because I do not believe it would help to save the Union.

I shall do less whenever I shall believe what I am doing hurts the cause, and I shall do more whenever I believe doing more will help the cause.

I shall try to correct errors when shown to be errors, and I shall adopt new views so fast as they shall appear to be true views.

I have here stated my purpose according to my views of official duty, and I intend no modification of my oft-expressed personal wish that all men everywhere could be free. Yours,

A. Lincoln.

The Preliminary Emancipation Proclamation

BY ABRAHAM LINCOLN

September 22, 1862.

I, Abraham Lincoln, President of the United States of America, and commander-in-chief of the army and navy thereof, do hereby proclaim and declare that hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relation between the United States and each of the States, and the people thereof, in which States that relation is or may be suspended or disturbed.

That it is my purpose, upon the next meeting of Congress, to again recommend the adoption of a practical measure tendering pecuniary aid to the free acceptance or rejection of all slave States, so called, the people whereof may not then be in rebellion against the United States, and which States may then have voluntarily adopted, or thereafter may voluntarily adopt, immediate or gradual abolishment of slavery within their respective limits; and that the effort to colonize persons of African descent with their consent upon this continent or elsewhere, with the previously obtained consent of the governments existing there, will be continued.

That on the first day of January, in the year of our Lord one thousand eight hundred and sixty-three, all persons held as slaves within any State or designated part of a State the people whereof shall then be in rebellion against the United States, shall be then, thenceforward, and forever free; and the Executive Government of the United States, including the military and naval authority thereof, will recognize and maintain the freedom of such persons, and will do no act or acts to repress such persons, or any of them, in any efforts they may make for their actual freedom.

That the Executive will, on the first day of January aforesaid, by proclamation designate the States and parts of States, if any, in which the people thereof, respectively, shall then be in rebellion against the United States; and the fact that any State, or the people thereof, shall on that day be in good faith represented in the Congress of the United States by members chosen thereto at elections wherein a majority of the qualified voters of such State shall have participated, shall, in the absence of strong countervailing testimony, be deemed conclusive evidence that such State, and the people thereof, are not then in rebellion against the United States.

That attention is hereby called to an act of Congress entitled "An act to make an additional article of war," approved March 13, 1862, and which act is in the words and figure following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter the following shall be promulgated as an additional article of war, for the government of the army of the United States, and shall be obeyed and observed as such:

Article —. All officers or persons in the military or naval service of the United States are prohibited from employing any of the forces under their respective commands for the purpose of returning fugitives from service or labor who may have escaped from any persons to whom such service or labor is claimed to be due; and any offi-

cer who shall be found guilty by a court martial of violating this article shall be dismissed from the service.

SEC. 2. And be it further enacted, That this act shall take effect from and after its passage.

Also to the ninth and tenth sections of an act entitled "An act to suppress insurrection, to punish treason and rebellion, to seize and confiscate property of rebels, and for other purposes," approved July 17, 1862, and which sections are in the words and figures following:

SEC. 9. And be it further enacted, That all slaves of persons who shall hereafter be engaged in rebellion against the Government of the United States, or who shall in any way give aid or comfort thereto, escaping from such persons and taking refuge within the lines of the army; and all slaves captured from such persons or deserted by them, and coming under the control of the Government of the United States; and all slaves of such persons found *on* [or] being within any place occupied by rebel forces and afterwards occupied by the forces of the United States, shall be deemed captives of war, and shall be forever free of their servitude, and not again held as slaves.

SEC. 10. And be it further enacted, That no slave escaping into any State, Territory, or the District of Columbia, from any other State, shall be delivered up, or in any way impeded or hindered of his liberty, except for crime, or some offense against the laws, unless the person claiming said fugitive shall first make oath that the person to whom the labor or service of such fugitive is alleged to be due is his lawful owner, and has not borne arms against the United States in the present rebellion, nor in any way given aid and comfort thereto; and no person engaged in the military or naval service of the United States shall, under any pretense whatever, assume to decide on the validity of the claim of any person to the service or labor of any other person, or surrender up any such person to the claimant, on pain of being dismissed from the service.

And I do hereby enjoin upon and order all persons engaged in the military and naval service of the United States to observe, obey, and enforce, within their respective spheres of service, the act and sections above recited.

And the Executive will in due time recommend that all citizens of the United States who shall have remained loyal thereto throughout the rebellion shall (upon the restoration of the constitutional relation between the United States and their respective States and people, if that relation shall have been suspended or disturbed) be compensated for all losses by acts of the United States, including the loss of slaves.

In witness, etc.

Abraham Lincoln.

LINCOLN AND THE RADICALS

THE CONFLICT between the Abolitionist and the Unionist elements in the Republican party grew as the Civil War continued and gradually merged into the later conflict between the Radical and the conciliationist factions of the Reconstruction period. Among the Radical Republicans, few are more interesting than Congressman George W. Julian of Indiana. Julian (1817–1899) was a Democrat by political origin, an antislavery man by conviction, and one of the earliest proponents of reform in the federal land system, in railroad management, and in the civil service. His speech of February 7, 1865, in the Committee of the Whole on the State of the Union is a long exercise in saying "I told you so." The war was all but over and the country must decide on its policy toward the seceded states; there would be conflict between softness and a proper severity, as there had been conflict between unionism and antislavery. The President and the army had truckled to proslavery sentiment only to discover that the Radical course was correct. This had been a landholders' as well as a slaveholders' rebellion, Julian argued, and confiscation of rebels' property accorded with the laws of nations and the laws of war. The rebels' estates must be taken from them. But, once confiscated, those estates must not again fall into monopolist control; they should be divided among the freedmen and the poor whites, for ". . . nothing can atone for the woes and sorrows of this war but the thorough reorganization of society in these revolted states."

Repeatedly, in his *Political Recollections*

(New York, 1884), Julian tells of his efforts to win the passage of a law to confiscate the estates of seceders, a measure which he considered the true test of the seriousness of the Lincoln administration. As Julian puts it:

"The passage of the Southern Homestead Bill, however, could only prove a very partial measure without an enactment reaching the fee of rebel land owners, and I confidently anticipated the endorsement of such a measure by the Republican National Convention, which was to meet in Baltimore, on the seventh of June [1864]. I was much gratified when the National Union League approved it, in its Convention in that city the day before; and a resolution embodying it was also reported favorably by the sub-committee on resolutions of the National Republican Convention the next day. But the General Committee, on the motion of McKee Dunn of Indiana, always an incorrigible conservative, struck it out, much to the disappointment of the Republican masses. To me it was particularly vexatious, as the measure was a pet one of mine, having labored for it with much zeal, and in the confidence that the National Convention would approve it. . . .

"Having understood that Mr Lincoln had changed his opinion respecting the power of Congress to confiscate the landed estates of rebels, I called to see him on the subject on the 2nd of July, and asked him if I might say to the people that what I had learned on this subject was true, assuring him that I could make a far better fight for our cause if he would permit me to do so. He replied that when he prepared his veto of our law on the subject two years before, he had not examined the matter thoroughly, but that on further reflection, and on reading Solicitor Whiting's law argument, he had changed his opinion, and thought he would now sign a bill striking at the fee, if we would send it to him. I was much gratified by this statement, which was of service to the cause in the canvass; but, unfortunately, constitutional scruples respecting such legislation gained ground, and although both Houses of Congress at different times endorsed the principle, it never became a law, owing to unavoidable differences between the President and Congress on the question of reconstruction. The action of the President in dealing with rebel land owners was of the most serious character. It paralyzed one of the most potent means of putting down the Rebellion, prolonging the conflict and aggravating its cost, and at the same time left the owners of large estates in full possession of their lands at the end of the struggle, who naturally excluded from the ownership of the soil the freedmen and poor whites who had been friendly to the Union; while the confiscation of life estates as a war measure was of no practical advantage to the Government or disadvantage to the enemy."

Julian's poor opinion of the Lincoln administration was not softened by time. Lincoln was too ready to conciliate in a situation which called for root-and-branch reform: the Southern planter had made the society which culminated in the rebellion; if the results of suppressing that rebellion were to be secure, the planter class must be attacked at the economic base of its power.

In something of Julian's spirit, though without his concern for the freedman and the loyal poor whites of the South, Benjamin F. Wade of Ohio and Henry Winter Davis, representative from Maryland, gave their names to legislation seeking to make certain that the defeated South should not resume its place in Congress until it had definitely and finally abolished slavery and repudiated the Confederate debt. To achieve this purpose, Congress passed a bill designed to remove the problem of restoring the Union from the executive to the legislative sphere.

For Lincoln had initiated a program of his own. As early as December, 1863, he had offered pardon and the restoration of property to Confederates who would take a prescribed oath of loyalty. When the number of these oath-takers came to equal one tenth of the voting population of 1860, a political organization

set up by them might be recognized as a state government.

To the Radicals, such a policy seemed but another instance of a government's rewarding its foes. But when the Wade-Davis bill reached him—only a few hours before the end of the session—Lincoln, instead of using the pocket veto, chose to issue a proclamation giving his reasons for refraining from signing the bill. He was not entirely opposed to it as one possible mode of Reconstruction, but he did not wish to be committed to an exclusive policy: much good had been accomplished by his own plan, that good should not be sacrificed.

Lincoln's reasoning evoked an ill-tempered reply from the men who had given their names to the bill. Davis had long been opposed to a Republican renomination for Lincoln. When the effort to substitute Chase or Frémont had failed, Davis had hoped for a vigorous platform from the Democrats. Even the Democratic declaration that the war was a failure did not alter Davis's conviction: General George B. McClellan, the Democratic nominee, would probably carry New York and Pennsylvania against Lincoln. The Wade-Davis Manifesto, in answer to Lincoln's proclamation, is part of the Radicals' continued campaign to push another candidate into Lincoln's place. The message was entirely improper, if not positively illegal, the Manifesto declared. The governments organized under Lincoln's plan were mere shadows and in no way worthy of trust. By his support of them, the President had, in effect, declared that "his wisdom and prudence" were to be the country's only safeguard against a renewal of the rebellion in the areas he decided were fit to return to the Union. "A more studied outrage on the legislative authority of the people has never been perpetrated," said the Manifesto. Thus the stage was already set in 1864 for the bitter struggle over Reconstruction.

The selection reprinted here is from Julian's *Speeches on Political Questions* (New York, 1872).

Radicalism and Conservatism—the Truth of History Vindicated

BY GEORGE W. JULIAN

PERHAPS NO task could be more instructive or profitable, in these culminating days of the rebellion, than a review of the shifting phases of thought and policy which have guided the administration in its endeavors to crush it. Such a retrospect will help us vindicate the real truth of history, both as to measures and men. It will bring out, in the strongest colors, the contrast between Radicalism and Conservatism, as rival political forces, each maintaining a varying control over the conduct of the war. It will, at the same time, point out and emphasize those pregnant lessons of the struggle which may best supply the government with counsel in its further prosecution. The faithful performance of this task demands plainness of speech; and I shall not shrink from my accustomed use of it, in the interests of truth and freedom.

At the beginning of this war, Mr. Chairman, neither of the parties to it comprehended its character and magnitude. Its actual history has been an immeasurable surprise to both, and to the whole civilized world. The rebels evidently expected to make short work of it. Judging us by our habitual and long-continued submission to Southern domination, and confiding in the multiplied assurances of sympathy and help which they had received from their faithful allies in the North, they regarded the work of dismemberment as neither difficult nor expensive. They did not dream of the grand results which have proceeded from their mad enterprise. Nor does their delusion seem to have been at all strange or unnatural. Certainly, it was not more remarkable than the infatuation of the administration, and its conservative friends. The government understood the conflict as little, and misunderstood it as absolutely, as its foes. This, sir, is one of the lessons of the war which I think it worth while to have remembered. This revolt, it was believed, was simply a new and enlarged edition of Southern bluster. The government did not realize the inexorable necessity of

actual war, because it lacked the moral vision to perceive the real nature of the contest. To every suggestion of so dire an event it turned an averted face and a deaf ear. It hoped to restore order by making a show of war, without actually calling into play the terrible enginery of war. It trusted in the form, without the power of war, just as some people have trusted in the form, without the power of godliness. It will be remembered that just before the battle of Ball's Bluff, General McClellan ordered Colonel Stone to "make a slight demonstration against the rebels," which might "have the effect to drive them from Leesburg." The government seems to have pursued a like policy in dealing with the rebellion itself. "A slight demonstration," it was believed, would "have the effect" to arrest the rebels in their madness, and reëstablish order and peace in about "sixty days," without allowing them to be seriously hurt, and without unchaining the tiger of war at all. The philosophy of General Patterson, who kindly advised that the war on our part should be "conducted on peace principles," was by no means out of fashion with our rulers, and the conservative leaders of opinion generally. Even the Commander-in-chief of our army and navy scouted the idea of putting down the rebellion by military power. He thought the country was to be saved by giving up the principles it had fairly won by the ballot in the year 1860, and to the maintenance of which the new administration was solemnly pledged. He believed in "conciliation," in "compromise,"—the meanest word in the whole vocabulary of our politics, except, perhaps, the word "conservative,"—and had far less faith in the help of bullets and bayonets in managing the rebels than in the power of our brotherly love to melt their susceptible hearts, and woo them back, gently and lovingly, to a sense of their madness and their crime. Our distinguished Secretary of State declared that "none but a despotic or imperial government would seek to subjugate thoroughly disaffected sovereignties." The policy of coercing the revolted States was disavowed by the President himself in his message to Congress of July, 1861.

Nor did the Legislative Department of the government, at that time, disagree with the Executive. On the 22d day of July of the same year,—and I say it with sorrow and shame,—on the very morning following the first battle of Bull Run, the House of Representatives, speaking in the form of solemn legislative resolves, as did the Senate two days later, declared that it was not the purpose of the government to "subjugate" the villains who began this work of organized and inexcusable rapine and murder. Indeed, it was not then the fashion to call them villains. In the very polite and gingerly phrase of the times they were styled "our misguided fellow-citizens," and "our erring Southern brethren," while the rebel States themselves were lovingly referred to as "our wayward sisters." The truth is, that for about a year and a half of this war the policy of tenderness to the rebels so swayed the administration that it seemed far less intent upon crushing the rebellion by arms, than upon contriving "how *not* to do it." . . . Not the spirit of war, but the spirit of peace, seemed to dictate our principles of action and measures of policy toward the men who had resolved, at whatever hazard or sacrifice, to break up the government by force. This policy, sir, had it been continued, would have proved the certain triumph of the rebel cause. With grand armies in the field, and all the costly machinery of war in our hands, our opportunities were sinned away by inactivity and delay, while the rebels gathered strength from our indecision and weakness. A major-general in our army, and as brave and patriotic a man as lives, said to me in the early stages of the war that the grand obstacle to our success was the lack of resentment on our part toward traitors. He said we did not adequately hate them; and he urged me, if in any degree in my power, to breathe into the hearts of the people in the loyal States a spirit of righteous indignation and wrath toward the rebels, commensurate with the unmatched enormity of their deeds. This spirit, Mr. Chairman, was a military necessity. The absence of it furnishes the best explanation of our failure during the period referred to, while its acceptance by the government inaugurated the new policy which has ever since been giving us victories.

That this sickly policy of an inoffensive war has naturally prolonged the struggle, and greatly augmented its cost in blood and treasure, no one can doubt. That it belongs, with its entire legacy of frightful results, exclusively to the conservative element in our politics, which at first ruled the government, is equally certain. The radical men saw at first, as clearly as they see to-day, the character and spirit of this rebel revolt. The massacre at Fort Pillow, the starvation of our soldiers at Richmond, and the whole black catalogue of rebel atrocities, have only been so many verified predictions of the men who had studied the institution of slavery, and who regarded the rebellion as the natural fruit and culmination of its Christless career. And hence it was that in the very beginning of the war, radical men were in favor of its vigorous prosecution. They knew the foe with whom we had to wrestle. . . . They knew that

in struggling with such a foe we were shut up to one grand and inevitable necessity and duty, and that was entire and absolute *subjugation.* All this was avowed and insisted upon by the earnest men who understood the nature of the conflict, and as persistently disavowed and repudiated by the government and its conservative advisers.

But a time came when its lessons had to be unlearned. In the school of trial it was forced to admit that war does not mean peace, but exactly the opposite of peace. Slowly, and step by step, it yielded up its theories and brought itself face to face with the stern facts of the crisis. The government no longer gets frightened at the word subjugate, because of its literal etymology, but is manfully and successfully endeavoring to place the yoke of the Constitution upon the unbaptized necks of the scoundrels who have thrown it off. The war is now recognized as a struggle of numbers, of desperate physical violence, to be fought out to the bitter end, without stopping to count its cost in money or in blood. Both the people and our armies, under this new dispensation, have been learning how to hate rebels as Christian patriots ought to have done from the beginning. They have been learning how to hate rebel sympathizers also, and to brand them as even meaner than rebels outright. They regard the open-throated traitor, who stakes his life, his property, his all, upon the success of his conspiracy against the Constitution and the rights of man, as a more tolerable character than the skulking miscreant who in his heart wishes the rebellion God-speed, while masquerading in the hypocritical disguise of loyalty. Had the government been animated by a like spirit at the beginning of the outbreak, practically accepting the truth that there can be no middle ground between treason and loyalty, rebel sympathizers would have given the country far less trouble than they have done. A little wholesome severity, summarily administered, would have been a most sovereign panacea. On this point the people were in advance of the administration, and they are to-day. Their earnestness has not yet found a complete and authoritative expression in the action of the government. A system of retaliation, which would have been a measure of real mercy, has not yet been adopted. Our cause is not wholly rescued from the control of conservative politicians and generals. Much remains to be done; but far more, certainly, has already been accomplished. The times of brotherly love toward rebels in arms have gone by forever. Such men as McClellan, Buell, and Fitz-John Porter, are generally out of the way, and men who believe in *fighting* rebels are in active command. This revolution in the war policy of the government, as already observed, was absolutely necessary to the salvation of our cause; and the country will not soon forget those earnest men who at first comprehended the crisis and the duty, and persistently urged a vigorous policy, suited to remorseless and revolutionary violence, till the government felt constrained to embrace it.

But a vigorous prosecution of the war, Mr. Chairman, was not enough. While this struggle is one of numbers and of violence, it is likewise, and still more emphatically, a war of ideas; a conflict between two forms of civilization, each wrestling for the mastery of the country. No one now pretends to dispute this, nor is it easy to understand how any one could ever have failed to perceive it. But the government, in the beginning, did not believe it. It tried, with all its might, not to believe it, and to persuade the world to disbelieve it. It insisted that the real cause of the war did not cause it at all. The rebellion was the work of chance; a stupendous accident, leaping into life full grown, without father or mother, without any discoverable genesis. It was a huge, black, portentous, national riot, which must be suppressed, but nobody was to be allowed to say one word about the causes which produced it, or the issues involved in the struggle. Silence was to be our supreme wisdom. Hence it was that the government, speaking through its high functionaries, declared that the slavery question was not involved in the quarrel, and that every slave in bondage would remain in exactly the same condition after the war as before. Hence it was that, when a celebrated proclamation was issued, giving freedom to the slaves of rebels in Missouri, it was revoked by the government in order to please the State of Kentucky, and placate the power that began the war. Hence, under General Halleck's "Order No. 3," which remained in force more than a year, the swarms of contrabands who came thronging to our lines, tendering us the use of their muscles and the secrets of the rebel prison-house, were driven away by our commanders. Hence it was that our soldiers were compelled to serve as slave-hounds in chasing down fugitives and sending them back to rebel masters, and that General McClellan, who always loved slavery more than he loved his country, and who declared he would put down slave insurrections "with an iron hand," was continued as Commander-in-chief of our armies long months after the country desired to spew him out. Hence, likewise, so many thousands of our soldiers were compelled to dig and ditch in the swamps of the Chickahominy till the cold sweat of death gathered on the handle

of the spade, while swarms of stalwart negroes, able to relieve them and eager to do so, were denied the privilege, lest it should offend the nostrils of democratic gentility, and give aid and comfort to the abolitionists. Hence it was that the President, instead of striking at slavery as a military necessity, and while rebuking that policy in his dealings with Hunter and Frémont, was at the same time so earnestly espousing chimerical projects for the colonization of negroes, coupled with the policy of gradual and compensated emancipation, which should take place some time before the year 1900, if the slaveholders should be willing. Hence it was that very soon after the administration had been installed in power it began to lose sight of the principles on which it had triumphed in 1860, allowing four fifths of the offices of the army and navy to be held by men of known hostility to those principles, while the various departments of the government in this city were largely filled by rebel sympathizers. Hence it was that for nearly two years of this war the government, while smiting the rebels with one hand, was with the other guarding the slave property and protecting the constitutional rights of the men who had renounced the Constitution, and ceased to have any rights under it save the right to its penalty against traitors. Hence it was that during the greater part of this time the administration stood upon the platform and urged the policy of "The Constitution as it is and the Union as it was," which the nation so overwhelmingly repudiated in the late Presidential contest. Hence it was, finally, that the songs of Whittier could not be sung in our armies; that slavery was everywhere dealt with by the government as the dear child of its love; and that our rulers seemed, with matchless impiety, to hope for the favor of God without laying hold of the *conscience* of our quarrel, and by coolly kicking it out of doors! Sir, I believe it safe to say that this madness cost the nation the precious sacrifice of fifty thousand soldiers, who have gone up to the throne of God as witnesses against the horrid infatuation that so long shaped the policy of the government in resisting this slaveholders' rebellion.

But here, again, Mr. Chairman, the government had to unlearn its first lessons. Its purpose to crush the rebellion and spare slavery was found to be utterly suicidal to our cause. It was a purpose to accomplish a moral impossibility, and was therefore prosecuted, if not conceived, in the interest of the rebels. It was an attempt to marry treason and loyalty; for the rebellion *is* slavery, armed with the powers of war, organized for wholesale schemes of aggression, and animated by the overflowing fullness of its infernal genius. The strength of our cause lies in its righteousness, and therefore no bargain with the devil could possibly give it aid. Through great suffering and sacrifice, individual and national, our rulers learned that there is but "one strong thing here below, the just thing, the true thing," and that God would not allow these severed States to be reunited without the abandonment, forever, of our great national sin. This was a difficult lesson, but as it was gradually mastered the government "changed its base." It became disenchanted. Congress took the lead in ushering in the new dispensation. A new article of war was enacted, forbidding our armies from returning fugitive slaves. Slavery was abolished in the District of Columbia, and prohibited in our national Territories, where it had been planted by the dogma of popular sovereignty and the Dred Scott decision. Our federal judiciary was so reorganized as to make sure this anti-slavery legislation of Congress. The confiscation of slaves was provided for, and freedom offered to all who would come over and help us, either as laborers or soldiers, thus annulling the famous or rather *infamous* order of General Halleck, already referred to. The Fugitive Slave Law was at first made void as to the slaves of rebels, and finally repealed altogether, with the old law of 1793. The coastwise slave-trade, a frightful system of home piracy, carried on by authority of Congress since the year 1807, was totally abolished. The right of testimony in our federal courts, and to sue and be sued, was conferred upon negroes. Their employment as soldiers was at last systematically provided for, and their pay at length made the same as that of white soldiers. The independence of Hayti and Liberia was recognized, and new measures taken to put an end to the African slave-trade. In thus wiping out our code of national slave laws, acknowledging the manhood of the negro, and recognizing slavery as the enemy of our peace, Congress emphatically rebuked the policy which had sought to ignore it, and to shield it from the destructive hand of the war instigated by itself; while it opened the way for further and inevitable measures of justice, looking to his complete emancipation from the dominion of Anglo-Saxon prejudice, the repeal of all special legislation intended for his injury, and his absolute restoration to equal rights with the white man as a citizen as well as a soldier.

Meanwhile, the President had been giving the subject his sober second thought, and reconsidering his position at the beginning of the conflict. Instead of affirming, as at first, that the question of slavery was not involved in the struggle, he grad-

ually perceived, and finally admitted, that it was at once the cause of the war and the obstacle to peace. Instead of resolving to save the Union *with* slavery, he finally resolved to save the Union without it, and by its destruction. Instead of entertaining the country with projects of gradual and distant emancipation, conditioned upon compensation to the master and the colonization of the freedmen, he himself finally launched the policy of immediate and unconditional liberation. Instead of recoiling from "radical and extreme measures," and "a remorseless revolutionary conflict," he at last marched up to the full height of the national emergency, and proclaimed "to all whom it may concern," that slavery must perish. Instead of a constitutional amendment for the purpose of eternizing the institution in the Republic, indorsed by him in his inaugural message, he became the zealous advocate of a constitutional amendment abolishing it forever. Instead of committing the fortunes of the war to pro-slavery commanders, whose hearts were not in the work, he learned how to dispense with their services, and find the proper substitutes. These forward movements were not ventured upon hastily, but after much hesitation and apparent reluctance. Not suddenly, but following great deliberation and many misgivings, he issued his proclamation of freedom. Months afterward he doubted its wisdom; but it was a grand step forward, which at once severed his relations with his old conservative friends, and linked his fortunes thenceforward to those of the men of ideas and of progress. Going hand in hand with Congress in the great advance measures referred to, or acquiescing in their adoption, the whole policy of the administration has been revolutionized. Abolitionism and loyalty are now accepted as convertible terms, and so are treason and slavery. Our covenant with death is annulled. Our national partnership with Satan has been dissolved; and just in proportion as this has been done, and an alliance sought with divine Providence, has the cause of our country prospered. In a word, Radicalism has saved our nation from the political damnation and ruin to which Conservatism would certainly have consigned it; while the mistakes and failures of the administration stand confessed in its new policy, which alone can vindicate its wisdom, command the respect and gratitude of the people, and save it from humiliation and disgrace.

Mr. Chairman, these lessons of the past suggest the true moral of this great conflict, and make the way of the future plain. They demand a vigorous prosecution of the war by all the powers of war, and that the last vestige of slavery shall be scourged out of life. Let the administration falter on either of these points, and the people will disown its policy. They have not chosen the President for another term through any secondary or merely personal considerations. In the presence of so grand an issue, men were nothing. They had no faith in General McClellan and the party leaders at his heels. They had little faith in the early policy of Mr. Lincoln, when Democratic ideas ruled his administration, and the power of slavery held him in its grasp. Had his appeal to the people been made two years earlier, he would have been as overwhelmingly repudiated as he has been gloriously indorsed. The people sustain him now, because of their assured faith that he will not hesitate to execute their will. In voting for him for a second term, they voted for liberating and arming the slaves of the South to crush out a slaveholders' rebellion. They voted that the Republic shall live, and that whatever is necessary to save its life shall be done. They voted that slavery shall be eternally doomed, and future rebellions thus made impossible. They voted, not that Abraham Lincoln can save the country, but that *they* can save it, with him as their servant. That is what was decided in the late elections. I have participated, somewhat actively, in seven Presidential contests, and I remember none in which the element of personal enthusiasm had a smaller share than that of last November. One grand and overmastering resolve filled the hearts and swayed the purposes of the masses everywhere, and that was the rescue of the country through the defeat of the Chicago Platform and conspirators. In the execution of that resolve they lost sight of everything else; but should the President now place himself in the people's way, by reviving the old policy of tenderness to the rebels and their beloved institution, the loyal men of the country will abandon his policy as decidedly as they have supported it generously. They have not approved the mistakes either of the legislative or executive department of the government. They expect that Congress will pass a bill for the confiscation of the fee of rebel landholders, and they expect the President will approve it. They expect that Congress will provide for the reconstruction of the rebel States by systematic legislation, which shall guarantee Republican governments to each of those States and the complete enfranchisement of the negro; and they will not approve, as they have not approved, of any executive interference with the people's will as deliberately expressed by Congress. They expect that Congress will provide for parceling out the forfeited and confiscated lands of rebels in small homesteads among

the soldiers and seamen of the war, as a fit reward for their valor, and a security against the ruinous monopoly of the soil in the South; and they will be disappointed should this great measure fail through the default either of Congress or the Executive. They demand a system of just retaliation against the rebels for outrages committed upon our prisoners; that a policy of increasing earnestness and vigor shall prevail till the war shall be ended; and that no hope of peace shall be whispered save on condition of an absolute and unconditional surrender to our authority; and the government will only prolong the war by standing in the way of these demands. This is emphatically the people's war; and it will not any longer suffice to say that the people are not ready for all necessary measures of success. The people would have been ready for such measures from the beginning, if the government had led the way. At every stage of the contest they have hailed with joy every earnest man who came forward, and every vigorous war measure that has been proposed. So long as the war was conducted under the counsels of Conservatives, and in the interests of slavery, the people clamored against the administration; but just so soon as the government entered upon a vigorous policy, and proclaimed war against slavery, the people began to shout for the Union and liberty. In the fall of 1862, before the administration was divorced from its early policy, the Union party was overwhelmed at the polls. But we triumphed the next year, and gloriously triumphed last year, because the government yielded to the popular demand. The plea often urged, that the people were not ready, is less a fact than a pretext. The men who loved slavery more than they loved the Union were never ready for radical measures. They are not ready to-day. On the other hand, the men who were all the while unconditionally for the Union would have sustained the administration far more heartily in the most thorough and sweeping war measures, than they sustained its policy of delaying those measures to the last hour. . . .

The revocation of the first anti-slavery proclamation of this war chilled the heart of every earnest loyalist in the land, and came like a trumpet-call to the pro-slavery hosts to rally and stand together. They obeyed it, and from that event dates the birth of organized Copperhead Democracy. The rebels of the South and their sympathizers in the North felt that they had gained an ally in the President. Had he sustained that measure, would not its moral effect have been at least as potent on the other side? Had his official name and sanction been as often given to the cause of Radicalism as they were lent to that of pro-slavery Conservatism, would not the country have been much sooner prepared for the saving and only policy? If he had said, early in the struggle, "to all whom it may concern," what he says now, that slavery is the nation's enemy, and therefore must be destroyed, instead of sheltering it under the Constitution and sparing it from the hand of war, how grandly could he have "organized victory," and multiplied himself among the people! Sir, our traditionary respect for slavery and slaveholders was our grand peril. It stood up as an impassable barrier in the way of any successful war for the Union. So long as it was allowed to dominate, it unnerved the arm of the government and deadened the spirit of the people. It made the Old World our enemy, and threatened us with foreign war. The mission of the government was not to make this feeling stronger by deferring to it, or to doom the country to a prolonged war and deplorable sacrifices as the best means of teaching the people the truth. No. The country needed a speedy exodus from the bondage of false ideas, and the government should have pointed the way. A frank statement by it of the real issue of the war, without any disposition to cover up the truth; an unmistakable hostility to slavery as the organized curse, without which the rebellion would have been impossible; and the timely utterance in its leading State papers of a few bold and spirit-stirring words which might have been "half battles," appealing to the courage and manhood of the nation, would have gone far to educate the judgment and conscience of the people, and command their enthusiastic espousal of whatever measures would promise most speedily to end the struggle and economize its cost in property and life.

Mr. Chairman, I take no pleasure, certainly, in thus freely discussing the policy of the government in its endeavors to meet its great responsibilities during this war. I have only referred to its mistakes as a servant of the truth, and in the name of the great cause which has been made to suffer. I believe, religiously, in the freedom of speech. From the beginning of the war I have exercised the right of frank, friendly, and fearless criticism of the conduct of our rulers, wherever I believed them to have been in the wrong. I shall continue to exercise it to the end; and if I should not, through any personal or prudential considerations, I would be unworthy of the seat I have occupied on this floor. Criticism has dictated the present policy of the government, and is still a duty. This great battle for the rights of man, and the actors in it, must be judged. None of them

can "escape history." The fame of none of them is so precious as the truth, and as public justice, which cares for the dead as well as the living, for the common soldiers slain by thousands as well as for the general and the statesman. The President, his advisers, his commanding generals, and the civilians whose shaping hands have had so much to do with the conduct of the war, must all of them be weighed in the balance by the people and the generations to come. "The great soul of the world is just," and sooner or later all disguises will be thrown off, and every historical character will stand forth as he is, in the light of his deeds and deserts. The men who have been intrusted with the concerns of the nation in this momentous crisis will not be judged harshly. Much will be forgiven or excused on the score of the surpassing magnitude and difficulty of their work. Justice will be done; but that justice may brand as a crime the blunders proceeding from a feeble, timid, ambidextrous policy, resulting in great sacrifices of life and treasure, and periling the priceless interests at stake. I would award all due honor to this administration, and to the statesmen and generals who have been faithful to their high trusts; but I would award an equal honor to the rank and file of the people, who have inspired its present policy, and to the rank and file of our soldiers, who have saved the country in spite of the mistakes of the government, the strifes of our politicians, and the rivalries of our generals. These are the real heroes of the war. Untitled, practically unrewarded, facing every form of privation and danger, and animated by the purest patriotism, the common soldier is not only the true hero of the war, but the real savior of his country.

But a higher honor, if not a more enduring fame, will be the heritage of the anti-slavery pioneers and prophets of our land: for

> "Peace hath higher tests of manhood
> Than battle ever knew."

Without their heroic labors and sacrifices the Republic, "heir of all the ages," would have been the mightiest slave empire of the world. In an age of practical atheism and mammon-worship, when the Church and the State joined hands with Slavery as the new trinity of the nation's faith, they really believed in God, in justice, in the resistless might of the truth. They believed that liberty is the birthright of all men, and their grand mission was the practical vindication of this truth. They believed, with their whole hearts, in the Declaration of Independence. They accepted its teachings as coincident with the Gospel of Christ, and supported by reason and justice. It was their ceaseless "battle-cry of freedom," and they chanted it as "the fresh, the matin song of the universe," to the enslaved of all races and lands. They were branded as fanatics and infidels, and encountered everywhere the hootings of the multitude and the scorn of politicians and priests; but I know of no class of men who were ever more far-sighted, whose convictions rested on so broad a basis of Christian morals and logic, and whose religious trust was so strong and so steadfast. For them there was no "eclipse of faith." Just as the nation began to lapse from the grand ideas of our revolutionary era, they began to "cry aloud and spare not," and they never ceased or slackened their labors. Placing their ears to the ground in the infancy and weakness of their movement, they caught the rumbling thunders of civil war in the distance, warned the country of its danger, and preached repentance as the chosen and only means of escape. They were compelled to face mobs, violence, persecution, and death, and were always misunderstood or misrepresented; but they never faltered. Reputation, honors, property, worldly ease, were all freely laid upon the altar of duty, in their resolve to vindicate the rights of man and the freedom of speech. To follow these apostles and martyrs was to forsake all the prizes of life which worldly prudence or ambition could value or covet. It was to take up the heaviest cross yet fashioned by this century as the test of Christian character and heroism; and those who bore it were far braver spirits than the men who fight our battles on land and sea.

Mr. Chairman, the failure of men thus devoted to a great and holy cause was morally impossible. They could not fail. Through their courage, constancy, and faith, they gradually secured the cooperation or sympathy of the better type of men of all parties and creeds. They seriously disturbed, or broke in pieces, the great political and ecclesiastical organizations of the land; and even before this war their ideas were rapidly taking captive the popular heart. When it came, they saw, as by intuition, the character of the struggle, as the final phase of slaveholding madness and crime, and insisted upon the early adoption of that radical policy which the government at last was compelled to accept. I believe it safe to say that the moral appeals and persistent criticism of these men, and of the far greater numbers who borrowed or sympathized with their views, saved our cause from the complete control of Conservatism, and thus saved the country itself from destruction. Going at once to the heart of our great

conflict, they pointed out the only remedy, and felt compelled to reprobate the failure of the government to adopt it. They judged its policy in war, as they had done in peace, in the light of its fidelity or infidelity to Human Rights. By this test they tried every man and party, and they need ask for no other rule of judgment for themselves. The administration, and the chief actors in this drama of war, of whatever political school, must be weighed in the same great balance. . . .

RECONSTRUCTION

THE SOUTH CAROLINA FREEDMEN'S CODE

THE ACTIVITIES of the states that had been restored to self-government under the Lincoln program were scarcely calculated to win Northern public opinion to support either Lincoln's policy or President Johnson's effort to maintain it against the ruling faction in Congress. Johnson's amnesty grants had made it possible for many former Confederate leaders to hold office, and these men were naturally returned to positions of power in the state governments. Communities that had accepted the abolition of slavery then proceeded to cope with their labor problem. Freedmen were inclined to enjoy their new mobility; they had no more notion of the obligation of contracts than their masters had cash with which to pay for their services. Yet, crops must be planted and harvested, order preserved, and effort made to restore the capital dissipated by war.

Typical of the legal devices invented to meet these problems was the South Carolina Freedmen's code. The preface to the contemporary edition of this law gives an interesting view of the Southerner's opinion concerning the conflict at Washington and the practical solution of the questions growing out of emancipation. The code is concerned with keeping the freedman in his place by forbidding him to engage in any occupation other than farming, except on payment of a large license fee. A special penal code, reminiscent of the unreformed British criminal law of the eighteenth century, attempted to secure property against arson and theft. Vagrancy and apprenticeship laws assured the planter of a supply of labor, while a special system of courts for the trial of cases in which colored persons were parties gave the freedmen the protection of law. "The high-minded, virtuous, intelligent, patriotic Southerner" had made certain that a lost war would not subvert his society. The South Carolina code was duplicated in the other Southern states. Johnson's program of conciliation and the violation of the civil rights of Negroes unleashed the bitter attack of the Radicals on the defeated South. Congressional Reconstruction now followed.

The selection reprinted here is from H. Melville Myers, comp., *Stay Law and . . . Freedmen's Code* (Charleston, 1866).

The South Carolina Freedmen's Code

EDITOR'S PREFACE

. . . SCARCELY had the proclamation announced that hostilities were over, while the spirit of peace seemed still sorrowfully brooding over a war-stricken land, when South Carolina, amid the desolation and the ruins of her Capitol, assembled in Convention, which was composed of the statesmen, and eminent civilians the wisdom of the State. The members of this venerable assembly, with that degree of facility for accommodating themselves to circumstances, so peculiar to the American mind, faithfully yielding to the impress of so sudden emancipation, after calm and mature deliberation, amended the State Constitution, in reference to slavery, thereby abolishing the institution, and *in solemn council resolved* upon the appointment of a commission, to prepare and submit a Code of Laws, which would be applicable to all classes of freedmen, in consequence of this material alteration and change in the organic and fundamental laws of the State. The code thus submitted to the General Assembly embraced 1st: A Bill preliminary to the legislation induced by the

emancipation of slaves. 2d. A Bill to establish and regulate the domestic relations of persons of color, and to amend the law in relation to paupers, vagrancy and bastardy. 3d. A Bill to establish District Courts, and 4th, A Bill to amend the Criminal Law. This Code was approved, adopted and ratified by the General Assembly, with immaterial alterations and amendments, on the 20th day of December, 1865, which rendered inapplicable to persons of color, all statutes and regulations concerning slaves, and it was declared by special enactment, (Prelim. Act, Sec IV), that "although such persons *are not entitled to social or political equality* with white persons, they shall have the right to acquire, own and dispose of property: to make contracts: to enjoy the fruits of their labor: to sue and be sued: and to *receive protection under the laws* in their persons and property."

To the political philosopher, the practical statesman, even to the candid and reflecting mind, in the light of truth, reason and nature, with a proper conception of the principles of Government, human or divine, in view of all the civil jurisprudence and sound legislation of the past, these enactments embodying, the *positive law*, which thus *establishes* the political and civil status of the freedmen within this legislative jurisdiction, are surely based upon deep principles of wisdom, justice and sound policy. Guided by the principles which flow through the political history of all governments, and properly influenced by the ever recurring experience of all ages—the irresistible conviction appears: that of all people the most incapable and unworthy of self-government, the most dependent and helpless that could be selected to perform any of the duties, or fulfil any of the essential qualifications pertaining to electors, must be the suddenly enfranchised freedmen of the South. No people are more ignorant of the necessary functions of a representative form of government, none morally or intellectually more incapable of appreciating or realizing the grand fulfilments of so high a mission. Never, as a race, were they recognized as citizens, or as the *liberi homines* of the English *Magna Charta*. Never were they recognized as the *liberi homines pares curiæ legales homines* in the documents of the middle ages, nor were they ever recognized as the *liberi et equi cives* in the Declaration of American Independence, which resulted in the formation of a Federal Constitution and a General Government, solely and exclusively organized to rule over, protest and regulate the venerable organizers of this system of constitutional government, and all citizens comprehended within its jurisdiction, who, as free born white American citizens, ever enjoyed the right of elective franchise before this government had been derived from them as part and parcel of its political machinery. While the negro race, by common and universal consent was then and has ever been excluded, as a separate class, from all civilized governments and the family of nations, and was then only recognized as a distinct race, doomed by a mysterious and Divine ordination to perpetual bondage, possessing no civil or political rights whatever. The *status civitatis*, therefore, of all freedmen in this State can only be properly and constitutionally recognized as the condition of free negroes or colored persons manumitted, and they can only naturally and properly assume that social and political status in civil society in South Carolina which the Legislature has hitherto recognized, when the government extends its regulating and controlling protection over all other free negroes and persons of color within the legislative jurisdiction of the State: consequently they have ample and full protection secured to them. They are placed equal *before the law* in the *possession and enjoyment of all their rights of person*—of *liberty and of property*. To institute, therefore, between the Anglo Saxon, the high-minded, virtuous, intelligent, patriotic Southerner and the *freedman*, a social or political approximation more intimate—to mingle the social or political existence of the two classes more closely, would surely be one of the highest exhibitions of treason to the race. These two great classes, then, are distinctly marked by the impress of nature. They are races separate and distinct: the one the highest and noblest type of humanity, the other the lowest and most degraded. Fully recognizing these deeply marked distinctions of nature, ever mindful of the former relations and the fearful antagonism which might be eventually exhibited between these two races, the General Assembly, in instituting the Freedmen's Code, have governed their counsels by wisdom, their measures by moderation, and their principles by justice. "*In sociate civili, aut lex aut vis valet.*" And as the just conceptions of this Code, which has been so recently induced by the change in some of the fundamental principles in the State Constitution in reference to the freedmen, that the State may again be restored to her constitutional relations to the Federal Government, are so highly essential to the proper appreciation of their civil rights and correlative duties involved, with equal correctness may it be assumed that, in view of the speedy promulgation of this Code, its wise, humane and just administration, there will be il-

lustrated most conspicuously the wisdom, harmony and justness of this law.

But there is a class of Republicans, who, in their willful career of extreme hostility, are contemplating the complete reversion and change of all the actions of both State and Federal Governments, at least so far as they do not conform to *their principles of natural right*, as deduced from natural reason, who distinctly and boldly affirm that *all* men, irrespective of color, creed or caste, are created with *equal, inherent natural and inalienable rights*, and thus only recognizing these State governments and laws, institutions and constitutions, simply as *mere external structures*, with no time-honored principles and long recognized and well established precedents, around which cluster so many grand, imposing and sacred maxims of the Common Law, which have hitherto rendered them the durable basis of all our social and political existence. This ultra element of Republicanism has long since vitiated and corroded their Northern Literature; pervaded their civil jurisprudence, rendered impure their grand system of Theology; shed its Utopian influence through all their local legislations; and now has become so augmented that it has most effectually established the creed of a political party which commands so overwhelming a majority in both branches of the Federal Congress. This majority do contend that all men embraced within the States which constitute the Federal Union, regardless of class or color, should be governed by certain fixed, inflexible, invariable rules deduced from natural reason; that this Government which is adapted and applicable only to a race of *virtuous, intelligent* and *patriotic white citizens*, should be indiscriminately administered in States consisting of two distinct races, opposite in color, differing as widely in character, moral and mental habits, as are the opposing "characteristics of barbarism and civilization." Animated by this great controlling law of *their nature*, by the superior *instinct* of *natural freedom*, and by looking within they have there revealed to them the eternal right of their instinctive consciousness, and the higher law of *universal liberty and negro equality*. And therefore it is that they demand as a necessary and indispensable prerequisite to the restoration of the Union of the Southern States to their civil and political power, that the civil and political status of the freedmen shall, so far as legislation can accomplish it be perfect equality, culminating with the right of electrive franchise, and as a further punishment, the humiliation and utter degradation of the South, they would accordingly seek to introduce the freemen with all their foulness, with all their prosaic and characteristic vulgarities, domesticated and disciplined with all their evil associations, into our charmed domestic circles of genuine refinement and social equality.[1] To the former master, to all conservative men and patriots North and South, they virtually say, "Why is it you take so much upon yourselves, seeing that these freedmen, formerly slaves, are now by the law of Nature created your equal? By their natural and inalienable rights, and by the unalterable act of emancipation, they are now as free as yourselves, and must be thereby entitled to all your social and political life; they are therefore not to be thus excluded, by your State legislations and conventions from the high positions of wealth and honor, they are not thus to be excluded from the halls of Legislation, and the stately palaces of the Nation. Why is it, then, you continue to lift yourselves so high above the negro? Verily, we will not, by our recent Constitutional amendments, our continued and further Congressional Legislation, submit to this superior white elevation above the freedmen."

Such are some of the leading characteristics of this Republican party, now in the Federal Congress, as derived from the legitimate exponents of their political faith extreme and sectional policy, and these are some of the natural sequences, when they announce that there exists, in view of our legislative enactments, an Impending Crisis—the *Irrepressible Conflict within the Social Systems of the South*, which shall continually and steadily progress and be developed until there is perfect equality among all classes, or the one or the other race must be exterminated. For under the Federal Constitution, which was formed "to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare of all the States, and secure the blessings of liberty to ourselves and posterity," we now behold, in the National Councils, this Sectional and Radical Majority, though sworn to support that Constitution, gradually assuming possession of the General Government, seeking to entrench itself in all of the departments, exerting all its official and personal influence to defeat the grand objects for which it was established, clothing itself with all the political power, disregarding all the imposing barriers of the Constitution, the solemn forms of Law, the high and sacred obligations of humanity, the acknowledged co-equal sovereignty of all

[1] The Hon. J. R. Giddings, with some degree of pride, boasted in Congress that on one occasion he had the pleasure of dining with nine negro gentlemen at his own table.

States embraced within the Federal Compact, most effectually arraying section against section and class against class, and seeking to fill the land again with all the horrors of a second internecine conflict, and endless civil contest. In a word, the party having now constituted itself the Federal Government, the present political issues, the necessary consequence of this fearful antagonism, appear to be a conflict between the Radical Majority in Congress and the Executive power as to whether there shall be established between the two sections of the country, perpetual peace and concord, or endless agitation and sectional discord. Whether there shall continue to be an Union of perfect equality of all the States, or a disunion of the Southern States. Whether all the States shall continue to exist in all their original and constitutional sovereignty, or a portion of them utterly subjugated and destroyed. Whether there shall continue a constitution in all its supreme and native integrity, or an absolute and endless anarchism. Whether there shall exist civil liberty as ordered by Constitutional laws, or liberty as disordered by a numerical and sectional Radicalism. Whether this Government shall continue a Democratic Republic, or a purely Radical and Sectional Stratocracy!!

And the virtuous, intelligent and patriotic American people, are now beginning more fully to realize in ANDREW JOHNSON, by his bold, manly and heroic defence of the Constitution, and of the right of each State guaranteed under the Union, as a Federal Executive, whose stern self-abnegation, lofty patriotism, and the wise policy which he has maturely organized for the complete restoration of all the States, elevated above mere party feelings and sectional strife, he exhibits a moral spectacle as sublime and magnanimous as the world has ever before witnessed.[2] Thus far there have been revealed a reach of thought, maturity of judgment, in the eventful and magnanimous administration of this wise and patriotic statesman, encircling in his range "the whole Government, a restored Union, a thoroughly reconstructed and united Country," which, if effectually consummated, will be fully able to evolve and most speedily accomplish results the grandest and most sublime. The Radicals in Congress having indignantly passed over the sanctity of the Constitution, when the brave and generous South, ever chivalrous and great, had finally terminated her terrible and deadly conflicts on the field, and had faithfully acceded to all the requirements stipulated by the General Government, they still seek the further humiliation and utter degradation of the South, by the enforcement of —without discrimination, what is designated as the civil rights of the negro, which being amplified and expanded, is the right to vote in all elections,—the right to testify in all courts of justice, —the right to set upon all juries,—the right to intermarry with all white persons. It is the natural right extended to the negro to exercise all those functions which would inevitably lead to the complete subversion of the laws of the States, and the continued foisting of the military law upon the people of the South to an indefinite and unlimited period. But the Federal Executive amid this rage of faction, this storm of passion for the natural, equal rights of all men, like Neptune of old rising above the billows and clouds of this *dangerous sea of political metaphysics*, embraces within his mental vision the true policy, the wise administration, the ever increasing grandeur and ultimate destiny of the Republic; recognizes only that Union which he has been taught to revere,—"that Union contemplated by the Constitution—an un-

[2] The Hon. J. D. Baldwin, Congressman from Massachusetts, of the Sumner-Stevens politics, in giving a description of the President, thus concedes his power and ability:

"Mr. Johnson is a man of stalwart mould. Just above middle stature, he is so broad-shouldered, firm-set and deep-chested, as almost to seem below it. He has a large head. It is a compact home for his fiery will and brain. His face is marked, strong oval outline, powerful under-jaw; well-defined but rather sharp chin; a wide, straight mouth; full, flexible lips; skin, coarse in texture, but firm; complexion, swarthy; hair, coarse, black, streaked with grey; a nose small at the root, but full and large at the nostrils, which expand and lift as he speaks; broad, roomy forehead; beetling, bushy eyebrows, beneath which are a pair of the coldest hazel-grey eyes I ever saw in a human head; these are the outlines of Andrew Johnson.

For the first time I stood near and looked closely on the man. In the course of an eventful life, I have seen many men of wilful power and force, but never before have I looked on one so thoroughly embodying the evil spirit of revolution. It will not do to underrate Mr. Johnson. He is terribly in earnest, and, withal, most vindictively cool. A thoroughly-paced demagogue, his inconsequential logic, his egotism, his repetitions, his thorough belief in himself, and his popularity, are all elements of strength, when he faces such assemblages as were arrayed about him on the 22d February last. Andrew Johnson is an able man—how able I never realized till yesterday. All results are involved in his policy. Had he a Cabinet as able and as desperate, the dire results which the near future would bring, could hardly be named now. We stand on the verge of a fierce strife, to meet which the country should gather its strength and gird up its loins. This man is no weak Buchanan, and he means to crush Congress or be crushed."

ion of communities having equal rights—an union regulated and governed by the principles of the Constitution—an union of sovereign and co-ordinate States, entitled to regulate their *domestic affairs in their own way*, which States, under the Federal compact, are inexorably bound to fulfill all their obligations to each other with scrupulous fidelity," dignity and honor.

AN ACT TO ESTABLISH AND REGULATE THE DOMESTIC RELATIONS OF PERSONS OF COLOR, AND TO AMEND THE LAW IN RELATION TO PAUPERS AND VAGRANCY

BE IT ENACTED by the Senate and House of Representatives, now met and sitting in General Assembly, and by the authority of the same, as follows:

HUSBAND AND WIFE

I. The relation of husband and wife amongst persons of color is established.

II. Those who now live as such, are declared to be husband and wife.

III. In case of one man having two or more reputed wives, or one woman two or more reputed husbands, the man shall, by the first of April next, select one of his reputed wives, or the woman one of her reputed husbands, and the ceremony of marriage, between this man or woman, and the person so selected, shall be performed.

IV. Every colored child, heretofore born, is declared to be the legitimate child of his mother, and also of his colored father, if he is acknowledged by such a father. . . .

VIII. One who is a pauper, or a charge to the public, shall not be competent to contract marriage. Marriage between a white person and a person of color, shall be illegal and void.

IX. The marriage of an apprentice shall not, without the consent of the master, be lawful.

X. A husband shall not, for any cause, abandon or turn away his wife, nor a wife her husband. Either of them that abandons or turns away the other, may be prosecuted for a misdemeanor; and upon conviction thereof, before a District Judge, may be punished by fine and corporal punishment, duly apportioned to the circumstances of aggravation or mitigation. A husband not disabled, who has been thus convicted of having abandoned or turned away his wife, or who has been shown to fail in maintaining his wife and children, may be bound to service by the District Judge from year to year, and so much of the profits of his labor, as may be requisite, be applied to the maintenance of his wife and children; the distribution between them being made according to their respective merits and necessities. In like manner, a wife not disabled, who has been thus convicted, may be bound, and the proceeds of her labor applied to the maintenance of her children. In either case, any surplus profit shall go to the person bound. At the end of any year for which he was bound, the husband shall have the right to return to, or receive back, his wife, and thereupon shall be discharged upon condition of his afterwards maintaining his wife and children. A like right a wife shall have, at the end of a year for which she was bound, on condition of her making future exertions to maintain her family. . . .

MASTER AND APPRENTICE

XV. A child over the age of two years, born of a colored parent, may be bound by the father, if he be living in the District, or in case of his death or absence from the District, by the mother, as an apprentice, to any respectable white or colored person, who is competent to make a contract—a male until he shall attain the age of twenty-one years and a female until she shall attain the age of eighteen years.

XVI. Illegitimate children, within the ages above specified, may be bound by the mother.

XVII. Colored children, between the ages mentioned, who have neither father nor mother living in the District in which they are found, or whose parents are paupers, or unable to afford to them maintenance, or whose parents are not teaching them habits of industry and honesty, or are persons of notoriously bad character, or are vagrants, or have been, either of them convicted of an infamous offense, may be bound as apprentices by the District Judge, or one of the Magistrates for the aforesaid term.

XVIII. Males of the age of twelve years, and females, of the age of ten years, shall sign the indenture of apprenticeship and be bound thereby.

XIX. When the apprentice is under these ages, and in all cases of compulsory apprenticeship, where the infant refuses assent, his signature shall not be necessary to the validity of the apprenticeship. The master's obligation of apprenticeship in all cases of compulsory apprenticeship, and cases where the father or mother does not bind a child, shall be executed in the presence of the District Judge, or one of the Magistrates, certified by him, and filed in the office of the Clerk of the District Court. . . .

XXII. The master or mistress shall teach the apprentice the business of husbandry, or some other useful trade or business, which shall be specified in the instrument of apprenticeship; shall furnish him wholesome food and suitable clothing; teach

him habits of industry, honesty and morality; govern and treat him with humanity; and if there be a school within a convenient distance, in which colored children are taught, shall send him to school at least six weeks in every year of his apprenticeship, after he shall be of the age of ten years: *Provided*, That the teacher of such school shall have the license of the District Judge to establish the same.

XXIII. The master shall have authority to inflict moderate chastisement and impose reasonable restraint upon his apprentice, and to recapture him if he depart from his service.

XXIV. The master shall receive to his own use the profits of the labor of his apprentice. The relation of master and apprentice shall be dissolved by the death of the master, except where the apprentice is engaged in husbandry, and may be dissolved by the District Judge, when both parties consent, or it shall appear to be seriously detrimental to either party. In the excepted case it shall terminate at the end of the year in which the master died. . . .

XXX. At the expiration of his term of service, the apprentice shall have the right to recover from his master a sum not exceeding sixty dollars. . . .

CONTRACTS FOR SERVICE

XXXV. All persons of color who make contracts for service or labor, shall be known as servants, and those with whom they contract shall be known as masters.

XXXVI. Contracts between masters and servants, for one month or more, shall be in writing, be attested by one white witness, and be approved by the Judge of the District Court, or by a Magistrate.

XXXVII. The period of service shall be expressed in the contract; but if it be not expressed, it shall be until the twenty-fifth day of December, next after the commencement of the service.

XXXVIII. If the rate of wages be not stipulated by the parties to the contract, it shall be fixed by the District Judge or a Magistrate, on application by one of the parties, and notice to the other.

XXXIX. A person of color, who has no parent living in the district, and is ten years of age, and is not an apprentice, may make a valid contract for labor or service for one year or less.

XL. Contracts between masters and servants may be set aside for fraud or unfairness, notwithstanding they have been approved.

XLI. Written contracts between masters and servants, shall be presented for approval within twenty days after their execution.

XLII. Contracts for one month or more shall not be binding on the servant, unless they are in writing and have been presented for approval within the time aforesaid.

XLIII. For any neglect of the duty to make a contract as herein directed, or the evasion of that duty by the repeated employment of the same persons for periods less than one month, the party offending shall be guilty of a misdemeanor, and be liable on conviction to pay a sum not exceeding fifty dollars, and not less than five dollars, for each person so employed. No written contract shall be required, when the servant voluntarily receives no remuneration, except food and clothing.

XLIV. For the approval of contracts, the following sums, to be called aids, shall be paid to the District Judge, or the Magistrate, as the case may be, in cash, when the contract is approved, provided no aid shall be paid for any servant under twelve years of age:

For a contract for one month or less, for each servant, ...	$0 25
For a contract not exceeding three months and more than one month, for each servant, ...	0 50
For a contract not exceeding six months and more than three months, for each servant, ...	0 75
For a contract for one year, or any time more than six months, for each servant, ...	1 00
For a contract for more than one year, for each year or part of a year, over one year, for each servant, ...	1 00

One-half of which aids shall be paid by the master, and one-half by the servant.

REGULATIONS OF LABOR ON FARMS

XLV. On farms or in out-door service, the hours of labor, except on Sunday, shall be from sun-rise to sun-set, with a reasonable interval for breakfast and dinner. Servants shall rise at the dawn in the morning, feed, water and care for the animals on the farm, do the usual and needful work about the premises, prepare their meals for the day, if required by the master, and begin the farm work or other work by sun-rise. The servant shall be careful of all the animals and property of his master, and especially of the animals and instruments used by him, shall protect the same from injury by other persons, and shall be answerable for all property lost, destroyed or injured by his negligence, dishonesty or bad faith.

XLVI. All lost time, not caused by the act of the master, and all losses occasioned by neglect of

the duties hereinbefore prescribed, may be deducted from the wages of the servant; and food, nursing and other necessaries for the servant, while he is absent from work on account of sickness or other cause, may also be deducted from his wages. Servants shall be quiet and orderly in their quarters, at their work and on the premises; shall extinguish their lights and fires, and retire to rest at seasonable hours. Work at night, and out-door work in inclement weather, shall not be exacted unless in case of necessity. Servants shall not be kept at home on Sunday, unless to take care of the premises, or animals thereupon, or for work of daily necessity, or on unusual occasions; and in such cases only so many shall be kept at home as are necessary for these purposes. Sunday work shall be done by the servants in turn, except in cases of sickness or other disability, when it may be assigned to them out of their regular term. Absentees on Sunday shall return to their homes by sun-set.

XLVII. The master may give to a servant a task at work about the business of the farm which shall be reasonable. If the servant complain of the task, the District Judge, or a Magistrate, shall have power to reduce or increase it. Failure to do a task shall be deemed evidence of indolence, but a single failure shall not be conclusive. When a servant is entering into a contract, he may be required to rate himself as a full hand, three-fourths, half, or one-fourth hand, and according to this rate inserted in the contract, shall be the task, and of course the wages.

XLVIII. Visitors or other persons shall not be invited, or allowed by the servant, to come or remain upon the premises of the master, without his express permission.

XLIX. Servants shall not be absent from the premises without the permission of the master.

RIGHTS OF MASTER AS BETWEEN HIMSELF AND HIS SERVANT

L. When the servant shall depart from the service of the master without good cause, he shall forfeit the wages due to him. The servant shall obey all lawful orders of the master or his agent, and shall be honest, truthful, sober, civil, and diligent in his business. The master may moderately correct servants who have made contracts, and are under eighteen years of age. He shall not be liable to pay for any additional or extraordinary services or labor of his servant, the same being necessary, unless by his express agreement.

CAUSES OF DISCHARGE OF A SERVANT

LI. The master may discharge his servant for wilful disobedience of the lawful order of himself or his agent; habitual negligence or indolence in business; drunkenness, moral or legal misconduct; want of respect and civility to himself, his family, guests or agents; or for prolonged absence from the premises, or absence on two or more occasions without permission.

LII. For any acts or things herein declared to be causes for the discharge of a servant, or for any breach of contract or duty by him, instead of discharging the servant, the master may complain to the District Judge, or one of the Magistrates, who shall have power, on being satisfied of the misconduct complained of, to inflict, or cause to be inflicted, on the servant suitable corporal punishment, or impose upon him such pecuniary fine as may be thought fit, and immediately to remand him to his work; which fine shall be deducted from his wages, if not otherwise paid.

LIII. If a master has made a valid contract with a servant, the District Judge or a Magistrate may compel such servant to observe his contract, by ordering infliction of the punishment, or imposition of the fine herein before authorized. . . .

RIGHTS OF SERVANT AS BETWEEN HIMSELF AND MASTER

LXI. The servant may depart from the master's service for an insufficient supply of wholesome food; for an unauthorized battery upon his own person, or one of his family, not committed in defence of the person, family, guests or agents of the master, nor to prevent a crime or aggravated misdemeanor; invasion by the master of the conjugal rights of the servant; or his failure to pay wages when due; and may recover wages due for services rendered to the time of his departure.

LXII. The contract for service shall not be terminated by the death of the master, without the assent of the servant. Wages due to white laborers and to white and colored servants, shall rank as rent does in case of the insufficiency of the master's property, to pay all debts and demands against him, but not more than one year's wages shall be so preferred. When wrongfully discharged from service, the servant may recover wages for the whole period of service according to the contract. If his wages have not been paid to the day of his discharge, he may regard his contract rescinded by the discharge, and recover wages up to that time.

LXIII. The master shall receive into his employment the servant with whom he has made a contract, but any of the causes which may justify him in discharging a servant, shall justify him in refusing to receive him.

LXIV. The master shall, upon the discharge, or at the expiration of his term of service, furnish the servant with a certificate of discharge, and at the request of the servant, give him a certificate of character.

MUTUAL RIGHTS OF MASTER AND SERVANT

LXV. Whenever a master discharges a servant, the servant may make immediate complaint to a District Judge, or Magistrate, and whenever a servant departs from his master's service, the master may make like complaint. In either case, the District Judge or Magistrate, shall, by summons or warrant, have the parties brought before him, hear them and their witnesses, and decide as to the sufficiency of the cause of his discharge or departure. This decision shall not affect or prejudice any further action on either side, but it may avail to restore the relation of master and servant between the parties, if that be ordered. If the servant be decided to have been unlawfully discharged, and should desire to return to service under his contract, the master shall be compelled to receive him, under the penalty of twenty dollars, in case of his refusal. If the master desire the return of a servant, who has been decided to have departed without sufficient cause, the servant may be compelled, by fine and corporal punishment, to return to the service of the master, and perform his duties under the contract. . . .

MECHANICS, ARTISANS AND SHOP-KEEPERS

LXXII. No person of color shall pursue or practice the art, trade or business of an artisan, mechanic or shop-keeper, or any other trade, employment or business (besides that of husbandry, or that of a servant under a contract for services or labor) on his own account and for his own benefit, or in partnership with a white person, or as agent or servant of any person, until he shall have obtained a license therefor from the Judge of the District Court, which license shall be good for one year only. This license the Judge may grant upon petition of the applicant, and upon being satisfied of his skill and fitness, and of his good moral character, and upon payment, by the applicant, to the Clerk of the District Court of one hundred dollars, if a shop-keeper or pedlar, to be paid annually, and ten dollars if a mechanic artisan, or to engage in any other trade, also to be paid annually: *Provided, however*, That upon complaint being made and proved to the District Judge of an abuse of such license, he shall revoke the same, and: *Provided, also*, That no person of color shall practice any mechanical art or trade, unless he shows that he has served an apprenticeship in such trade or art, or is now practicing such trade or art.

LXXIII. For violation of the prohibition contained in the section next preceding the offender, upon conviction thereof before the Judge of the District Court, shall pay, for each offence, a fine of double the amount of such license, one-half whereof shall go to the informer, who shall be a competent witness.

LXXIV. The sums paid to the Clerk for these licenses shall be aids, and go into the District Court Fund; and the Clerk shall keep a record of all licenses issued under the order of the Judge of the District Court.

EVICTION OF PERSONS OF COLOR

LXXV. Where, upon any farm or lands there are now persons of color who were formerly the slaves of the owner, lessee or occupant of the said farm or lands, who may have been there on the tenth day of November, eighteen hundred and sixty-five, and have been on said lands for six months previous, and who are helpless, either from old age, infancy, disease or other cause; and who are unable of themselves, and have no parent or other relation able to maintain them, and to provide other homes or quarters, it shall not be lawful for the present, or any subsequent, owner, lessee or occupant, before the first day of January, in the year eighteen hundred and sixty-seven, to evict or drive from the houses which now are, or hereafter shall be lawfully occupied by such helpless persons of color, such helpless persons, or any of them, by rendering such houses uninhabitable, or by any other means; and upon conviction of having done so, every such owner, lessee, occupant, agent or other person shall be fined not exceeding fifty dollars, or less than five dollars, for each such person of color so evicted, and may be imprisoned, at the discretion of the Judge of the District Court, not exceeding one month.

LXXVI. But the owner, lessee, or occupant of such farm or lands shall, nevertheless, have authority to preserve order and good conduct in the houses so occupied as aforesaid, and to prevent visitors and other persons from sojourning therein; and for insolence to himself or his family, for theft or trespass committed by such persons of color, or any one of them, upon the premises, or for violations by them of his regulations for the preservation of order and good conduct, the prevention of visitors and sojourners therein, the owner, lessee or occupant, may complain to the Judge of the District Court, or a Magistrate, who, upon finding the complaint well founded, may, according to the case, cause the immediate eviction of some

or all of such persons of color, and their removal from the premises. After the period aforesaid, they may be ejected, as is hereinafter provided in case of intruders.

LXXVII. It shall be the duty of the Judge of the District Court, or any Magistrate, on complaint made to him that persons of color have intruded into any house or upon any premises, as trespassers or otherwise, or that they unlawfully remain therein without permission of the owner, on ascertaining the complaint to be well founded, to cause such persons to be immediately removed therefrom, and in the case of the return of any such person without lawful permission, the party so offending may be subjected to such fine and corporal punishment as the Magistrate or District Judge may see proper to impose.

LXXVIII. During the term of service, the house occupied by any servant is the master's; and, on the expiration of the term of service, or the discharge of a servant, he shall no longer remain on the premises of the master; and it shall be the duty of the Judge of the District Court, or a Magistrate, on complaint of any person interested and due proof made, to cause such servant to be immediately removed from such premises.

LXXIX. Leases of a house or land to a person of color shall be in writing. If there be no written lease, or the term of lease shall have expired, a person of color in possession shall be a tenant at will, and shall not be entitled to notice; and on complaint by any person interested to the Judge of the District Court, or a Magistrate, such persons of color shall be instantly ejected by order or warrant, unless he produce a written lease authorizing its possession, or prove that such writing existed and was lost.

LXXX. In every case the costs of eviction may be exacted, by order or process, from the person evicted.

PAUPERS

LXXXI. When a person of color shall be unable to earn his support, and is likely to become a charge to the public, the fathers and grand-fathers, mother and grand-mothers, child and grand-child, brother and sister of such person, shall, each according to his ability, contribute monthly, for the support of such poor relation, such sum as the District Judge, or one of the Magistrates, upon complaint to him, shall deem necessary and proper, and on failure to pay such sum, the same shall be collected by summary order or process.

LXXXII. In each Judicial District, except the Judicial District of Charleston, in which there shall be one Board for the Election District of Charleston, and one for the Election District of Berkley, there shall be established a Board, to be known as the "Board of Relief of Indigent Persons of Color," which shall consist of a Chairman and not less than three, nor more than seven other members, all of whom shall be Magistrates of the District, and be selected by the District Judge.

LXXXIII. This Board shall meet at the Court House on the Tuesday next after the first Monday in February and August in every year, and at other times and places, fixed by its own appointment or the summons of its Chairman, and it may, at its pleasure, appoint sub-Boards, to be composed of such of its own members and other Magistrates of the District as it may select. . . .

XCIII. The balance of the District Court fund which, as provided by the "Act to establish District Courts," shall, under the order of the District Judge, be paid to the chairman aforesaid, shall, under the order of the Board aforesaid, be distributed to the Magistrates of precincts, and be by them disbursed for the relief of indigent persons of color, and other uses of the Board, as may be directed. The minutes of the Board shall show the sum assigned to each Magistrate, and the receipt of the Magistrate for every sum paid to him shall be taken by the chairman of the Board, and shall accompany the next report of the chairman to the Board, as well as be exhibited in support of the chairman's quarterly report to the District Court in which such payment is set down.

XCIV. On satisfactory information to the District Judge, or a Magistrate, that a person of color has removed from another District, and is likely to become a charge to the District into which he has removed, the District Judge, or the Magistrate shall proceed against such a person as a vagrant, and, on conviction, he shall be punished as such: *Provided*, *however*, That persons of color who were removed by their former masters from other Districts, within the last five years, shall be allowed twelve months to return to the Districts from which they were removed; and those who have been separated from their families or relatives shall be allowed to return to them within twelve months.

VAGRANCY AND IDLENESS

XCV. These are public grievances, and must be punished as crimes.

XCVI. All persons who have not some fixed and known place of abode, and some lawful and reputable employment; those who have not some visible and known means of a fair, honest and reputable livelihood; all common prostitutes; those

who are found wandering from place to place, vending, bartering, or peddling any articles or commodities, without a license from the District Judge, or other proper authorities; all common gamblers; persons who lead idle or disorderly lives, or keep or frequent disorderly or disreputable houses or places; those who, not having sufficient means of support, are able to work and do not work; those who, (whether or not they own lands, or are lessees or mechanics,) do not provide a reasonable and proper maintenance for themselves and families; those who are engaged in representing publicly or privately, for fee or reward, without license, any tragedy, interlude, comedy, farce, play, or other similar entertainment, exhibition of the circus, sleight of hand, wax work or the like; those who for private gain, without license, give any concert or musical entertainment of any description; fortune tellers; sturdy beggars; common drunkards; those who hunt game of any description, or fish on the land of others, or frequent the premises, contrary to the will of the occupants; shall be deemed vagrants, and be liable to the punishment hereinafter provided.

XCVII. Upon information, or oath, of another, or upon his own knowledge, the District Judge or a Magistrate shall issue a warrant for the arrest of any person of color known or believed to be a vagrant, within the meaning of this Act. The Magistrate may proceed to try, with the assistance of five freeholders, or call into his aid another Magistrate, and the two may proceed to try, with the assistance of three freeholders, as provided by the Act of 1787, concerning vagrants; or the Magistrate may commit the accused to be tried before the District Court. On conviction, the defendant shall be liable to imprisonment, and to hard labor, one or both, as shall be fixed by the verdict, not exceeding twelve months.

XCVIII. The defendant, if sentenced to hard labor after conviction, may, by order of the District Judge, or Magistrate, before whom he was convicted, be hired for such wages as can be obtained for his services, to any owner or lessee of a farm, for the term of labor to which he was sentenced, or be hired for the same labor on the streets, public roads, or public buildings. The person receiving such vagrant shall have all the rights and remedies for enforcing good conduct and diligence at labor that are herein provided in the case of master and servant.

THE SOUTH CAROLINA CONSTITUTION OF 1868

AMONG THE STATES that drafted new fundamental laws under the proceedings outlined in the Reconstruction Acts, South Carolina is particularly interesting because of the difference between the document of 1868 and the brief revision of her old basic law which was the Constitution of 1865. The latter had recognized the fact of emancipation; but it retained a property basis for the apportionment of representation so as to give the low country continued control of the legislature.

The Constitution of 1868, which was in certain measure based on the liberal Ohio document, established universal suffrage, altered the geographic basis of representation in favor of the upper country and made numerous innovations in South Carolina institutions. Married women were granted control of their own property, for example; the judicial system was revised; and a system of free public schools was established. It will be observed that segregation in public educational institutions was specifically outlawed.

The convention enacting this program not only excluded the state's former leaders, who suffered under the system of federal disability, but most of its propertied interests as well. Many of the property-owning eligible voters refused to participate in the election to ratify the constitution; and neither they nor the disfranchised Confederate partisans relished the idea of bearing the cost of an educational and eleemosynary program which would benefit their former slaves while it imposed new strains on an economy not yet recovered from a long war.

The progressive purposes of the new constitution were defeated by the political exploitation of the Negro and—more important—by the growing indifference of the Federal government to the processes of Reconstruction. The result was that in 1877 South Carolina

was "redeemed" and white supremacy under the Democratic party once more was reestablished. "Redemption" occurred in the other Southern states as follows: Virginia, 1870; North Carolina, 1870; Georgia, 1871; Florida, 1877; Alabama, 1874; Mississippi, 1876; Louisiana, 1877; Texas, 1874; Arkansas, 1874; Tennessee, 1869.

In the election of 1876, all the Border states and all the former Confederate states (except South Carolina, Florida, and Louisiana) voted for the Democratic candidate, Samuel J. Tilden.

The South Carolina Constitution is reprinted from a pamphlet of that name published in Charleston in 1868.

The South Carolina Constitution of 1868

We, the People of the State of South Carolina, in Convention assembled, Grateful to Almighty God for this opportunity, deliberately and peaceably of entering into an explicit and solemn compact with each other, and forming a new Constitution of civil government for ourselves and posterity, recognizing the necessity of the protection of the people in all that pertains to their freedom, safety and tranquility, and imploring the direction of the Great Legislator of the Universe, do agree upon, ordain and establish the following

DECLARATION OF RIGHTS AND FORM OF GOVERNMENT AS THE CONSTITUTION OF THE COMMONWEALTH OF SOUTH CAROLINA

Article I: Declaration of Rights

Section 1. All men are born free and equal—endowed by their Creator with certain inalienable rights, among which are the rights of enjoying and defending their lives and liberties, of acquiring, possessing and protecting property, and of seeking and obtaining their safety and happiness.

Section 2. Slavery shall never exist in this State; neither shall involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted.

Section 3. All political power is vested in and derived from the people only; therefore they have the right, at all times, to modify their form of government in such manner as they may deem expedient, when the public good demands.

Section 4. Every citizen of this State owes paramount allegiance to the Constitution and Government of the United States, and no law or ordinance of this State in contravention or subversion thereof can have any binding force.

Section 5. This State shall ever remain a member of the American Union, and all attempts, from whatever source, or upon whatever pretext, to dissolve the said Union, shall be resisted with the whole power of the State.

Section 6. The right of the people peaceably to assemble to consult for the common good, and to petition the Government, or any department thereof, shall never be abridged.

Section 7. All persons may freely speak, write and publish their sentiments on any subject, being responsible for the abuse of that right; and no laws shall be enacted to restrain or abridge the liberty of speech or of the press.

Section 8. In prosecutions for the publication of papers investigating the official conduct of officers or men in public capacity, or when the matter published is proper for public information, the truth thereof may be given in evidence; and in all indictments for libel, the jury shall be the judges of the law and the facts.

Section 9. No person shall be deprived of the right to worship God according to the dictates of his own conscience; *Provided*, That the liberty of conscience hereby declared shall not justify practices inconsistent with the peace and moral safety of society.

Section 10. No form of religion shall be established by law; but it shall be the duty of the General Assembly to pass suitable laws to protect every religious denomination in the peaceable enjoyment of its own mode of worship.

Section 11. The right of trial by jury shall remain inviolate.

Section 12. No person shall be disqualified as a witness, or be prevented from acquiring, holding and transmitting property, or be hindered in acquiring education, or be liable to any other punishment for any offence, or be subjected in law to any other restraints or disqualifications in regard to any personal rights than such as are laid upon others under like circumstances.

Section 13. No person shall be held to answer for any crime or offence until the same is fully, fairly, plainly, substantially and formally described to him; or be compelled to accuse or furnish evidence against himself; and every person shall have a right to produce all proofs that may be favorable to him, to meet the witnesses against

him face to face, to have a speedy and public trial by an impartial jury, and to be fully heard in his defence by himself or by his counsel, or by both, as he may elect.

SECTION 14. No person shall be arrested, imprisoned, despoiled or dispossessed of his property, immunities or privileges, put out of the protection of the law, exiled or deprived of his life, liberty, or estate, but by the judgment of his peers or the law of the land. And the General Assembly shall not enact any law that shall subject any person to punishment without trial by jury; nor shall he be punished but by virtue of a law already established, or promulgated prior to the offence, and legally applied.

SECTION 15. All Courts shall be public, and every person, for any injury that he may receive in his lands, goods, person or reputation, shall have remedy by due course of law and justice administered without unnecessary delay.

SECTION 16. All persons shall, before conviction, be bailable by sufficient sureties, except for capital offences, when the proof is evident or the presumption great; and excessive bail shall not, in any case, be required, nor corporal punishment inflicted.

SECTION 17. The privilege of the writ of *Habeas Corpus* shall not be suspended, except when, in case of insurrection, rebellion or invasion, the public safety may require it.

SECTION 18. No person, after having been once acquitted by a jury, shall again, for the same offence, be put in jeopardy of his life or liberty.

SECTION 19. All offences less than felony, and in which the punishment does not exceed a fine of one hundred dollars, or imprisonment for thirty days, shall be tried summarily before a Justice of the Peace, or other officer authorized by law, on information under oath, without indictment or intervention of a Grand Jury, saving to the defendant the right of appeal; and no person shall be held to answer for any higher crime or offence unless on presentment of a Grand Jury, except in cases arising in the land and naval service, or in the militia when in actual service in time of war or public danger.

SECTION 20. No person shall be imprisoned for debt, except in cases of fraud; and a reasonable amount of property, as a homestead, shall be exempted from seizure or sale for the payment of any debts or liabilities, except for the payment of such obligations as are provided for in this Constitution.

SECTION 21. No bill of attainder, *ex post facto* law, nor any law impairing the obligation of contracts, shall ever be enacted; and no conviction shall work corruption of blood or forfeiture of estate.

SECTION 22. All persons have a right to be secure from unreasonable searches or seizures of their persons, houses, papers or possessions. All warrants shall be supported by oath or affirmation, and the order of the warrant to a civil officer to make search or seizure in suspected places, or to arrest one or more suspected persons, or to seize their property, shall be accompanied with a special designation of the persons or objects of search, arrest or seizure; and no warrant shall be issued but in the cases and with the formalities prescribed by the laws.

SECTION 23. Private property shall not be taken or applied for public use, or for the use of corporations, or for private use, without the consent of the owner or a just compensation being made therefore; *Provided, however,* That laws may be made securing to persons or corporations the right of way over the lands of either persons or corporations, and, for works of internal improvement, the right to establish depots, stations, turnouts, etc.; but a just compensation, shall, in all cases, be first made to the owner.

SECTION 24. The power of suspending the laws, or the execution of the laws, shall never be exercised but by the General Assembly, or by authority derived therefrom; to be exercised in such particular cases only as the General Assembly shall expressly provide for.

SECTION 25. No person shall, in any case, be subject to martial law, or to any pains or penalties by virtue of that law, except those employed in the army or navy of the United States, and except the militia in actual service, but by authority of the General Assembly.

SECTION 26. In the government of this Commonwealth, the Legislative, Executive and Judicial powers of the Government shall be forever separate and distinct from each other, and no person or persons exercising the functions of one of said departments shall assume or discharge the duties of any other.

SECTION 27. The General Assembly ought frequently to assemble for the redress of grievances and for making new laws as the common good may require.

SECTION 28. The people have a right to keep and bear arms for the common defence. As in times of peace, armies are dangerous to liberty, they ought not to be maintained without the consent of the General Assembly. The military power ought always to be held in an exact subordination to the civil authority and be governed by it.

SECTION 29. In time of peace no soldier shall be quartered in any house without the consent of the owner; and, in time of war, such quarters shall not be made but in a manner prescribed by law.

SECTION 30. No person who conscientiously scruples to bear arms shall be compelled so to do, but he shall pay an equivalent for personal service.

SECTION 31. All elections shall be free and open, and every inhabitant of this Commonwealth possessing the qualifications provided for in this Constitution, shall have an equal right to elect officers and be elected to fill public office.

SECTION 32. No property qualification shall be necessary for an election to or the holding of any office, and no office shall be created, the appointment to which shall be for a longer time than good behavior. After the adoption of this Constitution, any person who shall fight a duel, or send or accept a challenge for that purpose, or be an aider or abetter in fighting a duel, shall be deprived of holding any office of honor or trust in this State, and shall be otherwise punished as the law shall prescribe.

SECTION 33. The right of suffrage shall be protected by laws regulating elections, and prohibiting, under adequate penalties, all undue influences from power, bribery, tumult or improper conduct.

SECTION 34. Representation shall be apportioned according to population, and no person in this State shall be disfranchised or deprived of any of the rights or privileges now enjoyed except by the law of the land or the judgment of his peers.

SECTION 35. Temporary absence from the State shall not forfeit a residence once obtained.

SECTION 36. All property subject to taxation shall be taxed in proportion to its value. Each individual of society has a right to be protected in the enjoyment of life, liberty and property according to standing laws. He should, therefore, contribute his share to the expense of his protection and give his personal service when necessary.

SECTION 37. No subsidy, charge, impost tax or duties shall be established, fixed, laid or levied, under any pretext whatsoever, without the consent of the people or their representatives lawfully assembled.

SECTION 38. Excessive fines shall not be imposed, nor cruel and unusual punishment inflicted, nor shall witnesses be unreasonably detained.

SECTION 39. No title of nobility or hereditary emolument shall ever be granted in this State. Distinction on account of race or color, in any case whatever, shall be prohibited, and all classes of citizens shall enjoy equally all common, public, legal and political privileges.

SECTION 40. All navigable waters shall remain forever public highways, free to the citizens of the State and the United States, without tax, impost or toll imposed; and, no tax, toll, impost or wharfage shall be imposed, demanded or received from the owner of any merchandise or commodity, for the use of the shores or any wharf erected on the shores, or in or over the waters of any navigable stream, unless the same be authorized by the General Assembly.

SECTION 41. The enumeration of rights in this Constitution shall not be construed to impair or deny others retained by the people, and all powers not herein delegated remain with the people. . . .

ARTICLE VIII: RIGHT OF SUFFRAGE

SECTION 1. In all elections by the people the electors shall vote by ballot.

SECTION 2. Every male citizen of the United States, of the age of twenty-one years and upwards, not laboring under the disabilities named in this Constitution, without distinction of race, color, or former condition, who shall be a resident of this State at the time of the adoption of this Constitution, or who shall thereafter reside in this State one year, and in the County in which he offers to vote, sixty days next preceding any election, shall be entitled to vote for all officers that are now, or hereafter may be, elected by the people, and upon all questions submitted to the electors at any elections; *Provided*, That no person shall be allowed to vote or hold office who is now or hereafter may be disqualified therefor by the Constitution of the United States, until such disqualification shall be removed by the Congress of the United States; *Provided further*, That no person, while kept in any alms house or asylum, or of unsound mind, or confined in any public prison, shall be allowed to vote or hold office.

SECTION 3. It shall be the duty of the General Assembly to provide from time to time for the registration of all electors.

SECTION 4. For the purpose of voting no person shall be deemed to have lost his residence by reason of absence while employed in the service of the United States, nor while engaged upon the waters of this State or the United States, or of the high seas, nor while temporarily absent from the State.

SECTION 5. No soldier, seaman or marine in the army or navy of the United States shall be deemed a resident of this State in consequence of having been stationed therein.

SECTION 6. Electors shall, in all cases, except

treason, felony or breach of the peace, be privileged from arrest and civil process during their attendance at elections, and in going to and returning from the same.

SECTION 7. Every person entitled to vote at any election shall be eligible to any office which now is or hereafter shall be elective by the people in the County where he shall have resided sixty days previous to such election, except as otherwise provided in this Constitution or the Constitution and laws of the United States.

SECTION 8. The General Assembly shall never pass any law that will deprive any of the citizens of this State of the right of suffrage except for treason, murder, robbery, or duelling, whereof the persons shall have been duly tried and convicted.

SECTION 9. Presidential electors shall be elected by the people.

SECTION 10. In all elections held by the people under this Constitution, the person or persons who shall receive the highest number of votes shall be declared elected.

SECTION 11. The provision of this Constitution concerning the term of residence necessary to enable persons to hold certain offices therein mentioned, shall not be held to apply to officers chosen by the people at the first election, or by the General Assembly at its first session.

SECTION 12. No person shall be disfranchised for felony, or other crimes committed while such person was a slave.

ARTICLE IX: FINANCE AND TAXATION

SECTION 1. The General Assembly shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, the proceeds of which alone shall be taxed; and also excepting such property as may be exempted by law for municipal, educational, literary, scientific, religious or charitable purposes.

SECTION 2. The General Assembly may provide annually for a poll tax not to exceed one dollar on each poll, which shall be applied exclusively to the public school fund. And no additional poll tax shall be levied by any municipal corporation.

SECTION 3. The General Assembly shall provide for an annual tax sufficient to defray the estimated expenses of the State for each year; and whenever it shall happen that such ordinary expenses of the State for any year shall exceed the income of the State for such year, the General Assembly shall provide for levying a tax for the ensuing year sufficient, with other sources of income, to pay the deficiency of the preceding year, together with the estimated expenses of the ensuing year.

SECTION 4. No tax shall be levied except in pursuance of a law, which shall distinctly state the object of the same; to which object such tax shall be applied.

SECTION 5. It shall be the duty of the General Assembly to enact laws for the exemption from taxation of all public schools, colleges, and institutions of learning, all charitable institutions in the nature of asylums for the infirm, deaf and dumb, blind, idiotic and indigent persons, all public libraries, churches and burying grounds; but property of associations and societies, although connected with charitable objects, shall not be exempt from State, County or Municipal taxation; *Provided*, That this exemption shall not extend beyond the buildings and premises actually occupied by such schools, colleges, institutions of learning, asylums, libraries, churches and burial grounds, although connected with charitable objects.

SECTION 6. The General Assembly shall provide for the valuation and assessment of all lands and the improvements thereon prior to the assembling of the General Assembly of one thousand eight hundred and seventy, and thereafter on every fifth year.

SECTION 7. For the purpose of defraying extraordinary expenditures, the State may contract public debts; but such debts shall be authorized by law for some single object, to be distinctly specified therein; and no such law shall take effect until it shall have been passed by the vote of two-thirds of the members of each branch of the General Assembly, to be recorded by yeas and nays on the journals of each House respectively; and every such law shall levy a tax annually sufficient to pay the annual interest of such debt.

SECTION 8. The corporate authorities of Counties, Townships, School Districts, Cities, Towns and Villages may be vested with power to assess and collect taxes for corporate purposes; such taxes to be uniform in respect to persons and property within the jurisdiction of the body imposing the same. And the General Assembly shall require that all the property, except that heretofore exempted within the limits of municipal corporations, shall be taxed for the payment of debts contracted under authority of law.

SECTION 9. The General Assembly shall provide for the incorporation and organization of cities and towns, and shall restrict their powers

of taxation, borrowing money, contracting debts, and loaning their credit.

SECTION 10. No scrip, certificate, or other evidence of State indebtedness shall be issued, except for the redemption of stock, bonds, or other evidences of indebtedness previously issued, or for such debts as are expressly authorized in this Constitution.

SECTION 11. An accurate statement of the receipt and expenditures of the public money shall be published with the laws of each regular session of the General Assembly in such manner as may, by law, be directed.

SECTION 12. No money shall be drawn from the Treasury but in pursuance of appropriations made by law.

SECTION 13. The fiscal year shall commence on the first day of November in each year.

SECTION 14. Any debt contracted by the State shall be by loan on State Bonds, of amounts not less than fifty dollars each, on interest, payable within twenty years after the final passage of the law authorizing such debt. A correct registry of all such bonds shall be kept by the Treasurer in numerical order, so as always to exhibit the number and amount unpaid, and to whom severally made payable.

SECTION 15. Suitable laws shall be passed by the General Assembly for the safe keeping, transfer and disbursement of the State, County and School funds, and all officers and other persons charged with the same, shall keep an accurate entry of each sum received, and of each payment and transfer; and shall give such security for the faithful discharge of such duties as the General Assembly may provide. And it shall be the duty of the General Assembly to pass laws making embezzlement of such funds a felony, punishable by fine and imprisonment proportioned to the amount of deficiency or embezzlement, and the party convicted of such felony shall be disqualified from ever holding any office of honor or emolument in this State; *Provided, however*, That the General Assembly by a two-thirds vote, may remove the disability upon payment in full of the principal and interest of the sum embezzled.

SECTION 16. No debt contracted by this State in behalf of the late rebellion, in whole or in part, shall ever be paid.

ARTICLE X: EDUCATION

SECTION 1. The supervision of public instruction shall be vested in a State Superintendent of Education, who shall be elected by the qualified electors of the State in such manner and at such time as the other State officers are elected; his powers, duties, term of office and compensation shall be defined by the General Assembly.

SECTION 2. There shall be elected biennially, in each County, by the qualified electors thereof, one School Commissioner, said Commissioners to constitute a State Board of Education, of which the State Superintendent shall, by virtue of his office, be Chairman; the powers, duties, and compensation of the members of said Board shall be determined by law.

SECTION 3. The General Assembly shall, as soon as practicable after the adoption of this Constitution, provide for a liberal and uniform system of free public schools throughout the State, and shall also make provision for the division of the State into suitable School Districts. There shall be kept open at least six months in each year one or more schools in each School District.

SECTION 4. It shall be the duty of the General Assembly to provide for the compulsory attendance, at either public or private schools, of all children between the ages of six and sixteen years, not physically or mentally disabled, for a term equivalent to twenty-four months, at least: *Provided*, That no law to that effect shall be passed until a system of public schools has been thoroughly and completely organized, and facilities afforded to all the inhabitants of the State for the free education of their children.

SECTION 5. The General Assembly shall levy at each regular session after the adoption of this Constitution an annual tax on all taxable property throughout the State for the support of public schools, which tax shall be collected at the same time and by the same agents as the general State levy, and shall be paid into the Treasury of the State. There shall be assessed on all taxable polls in the State an annual tax of one dollar on each poll, the proceeds of which tax shall be applied solely to educational purposes. *Provided*, That no person shall ever be deprived of the right of suffrage for the non-payment of said tax. No other poll or capitation tax shall be levied in the State, nor shall the amount assessed on each poll exceed the limit given in this section. The School Tax shall be distributed among the several School Districts of the State, in proportion to the respective number of pupils attending the public schools. No religious sect or sects shall have exclusive right to, or control of any part of the school funds of the State, nor shall sectarian principles be taught in the public schools.

SECTION 6. Within five years after the first regular session of the General Assembly, following the adoption of this Constitution, it shall be the duty of the General Assembly to provide for the

establishment and support of a State Normal School, which shall be open to all persons who may wish to become teachers.

SECTION 7. Educational institutions for the benefit of all the blind, deaf and dumb, and such other benevolent institutions, as the public good may require, shall be established and supported by the State, subject to such regulations as may be prescribed by law.

SECTION 8. Provisions shall be made by law, as soon as practicable, for the establishment and maintenance of a State Reform School for juvenile offenders.

SECTION 9. The General Assembly shall provide for the maintenance of the State University, and as soon as practicable, provide for the establishment of an Agricultural College, and shall appropriate the land given to this State, for the support of such a college, by the Act of Congress, passed July second, one thousand eight hundred and sixty-two, or the money or scrip, as the case may be arising from the sale of said lands, or any lands which may hereafter be given or appropriated for such purpose, for the support and maintenance of such college, and may make the same a branch of the State University, for instruction in Agriculture, the Mechanic Arts, and the Natural Sciences connected therewith.

SECTION 10. All the public schools, colleges, and universities of this State supported in whole or in part by the public funds, shall be free and open to all the children and youths of the State, without regard to race or color.

SECTION 11. The proceeds of all lands that have been or hereafter may be given by the United States to this State for educational purposes, and not otherwise appropriated by this State or the United States, and of all lands or other property given by individuals, or appropriated by the State for like purpose, and of all estates of deceased persons who have died without leaving a will or heir, shall be securely invested and sacredly preserved as a State School Fund, and the annual interest and income of said fund, together with such other means as the General Assembly may provide, shall be faithfully appropriated for the purpose of establishing and maintaining free public schools, and for no other purposes or uses whatever.

ARTICLE XI: CHARITABLE AND PENAL INSTITUTIONS

SECTION 1. Institutions for the benefit of the insane, blind, deaf and dumb, and the poor, shall always be fostered and supported by this State, and shall be subject to such regulations as the General Assembly may enact.

SECTION 2. The Directors of the Penitentiary shall be elected or appointed, as the General Assembly may direct.

SECTION 3. The Directors of the benevolent and other State institutions, such as may be hereafter created, shall be appointed by the Governor, by and with the consent of the Senate; and upon all nominations made by the Governor, the question shall be taken by yeas and nays, and entered upon the journals.

SECTION 4. The Governor shall have power to fill all vacancies that may occur in the offices aforesaid, until the next session of the General Assembly, and until a successor or successors shall be appointed and confirmed.

SECTION 5. The respective Counties of this State shall make such provision, as may be determined by law, for all those inhabitants who by reason of age, and infirmities or misfortunes, may have a claim upon the sympathy and aid of society.

SECTION 6. The Physician of the Lunatic Asylum, who shall be superintendent of the same, shall be appointed by the Governor, with the advice and consent of the Senate. All other necessary officers and employes shall be appointed by the Governor.

ARTICLE XII: CORPORATIONS

SECTION 1. Corporations may be formed under general laws; but all such laws may from time to time be altered or repealed.

SECTION 2. The property of corporations now existing or hereafter created, shall be subject to taxation, except in cases otherwise provided for in this Constitution.

SECTION 3. No right of way shall be appropriated to the use of any corporation until full compensation therefor shall be first made, or secured by a deposit of money to the owner, irrespective of any benefit from any improvement proposed by such corporation, which compensation shall be ascertained by a jury of twelve men, in a Court of Record, as shall be prescribed by law.

SECTION 4. Dues from corporations shall be secured by such individual liability of the stockholders and other means, as may be prescribed by law.

SECTION 5. All general laws and special acts passed pursuant to this section, shall make provisions therein for fixing the personal liability of stockholders under proper limitations; and shall prevent and punish fraudulent misrepresentations as to the capital property and resources of such corporations; and shall also regulate the public use of all franchises which have heretofore been, or hereafter may be created or granted, by or under

the authority of this State, and shall limit all tolls, imposts, and other charges and demands under such laws.

SECTION 6. The General Assembly shall grant no charter for banking purposes, nor renew any banking corporations now in existence, except upon the condition that the stockholders shall be liable to the amount of their respective share or shares of stock in such banking institution, for all its debts and liabilities, upon note, bill, or otherwise; and upon the further condition that no director or other officer of said corporation shall borrow any money from said corporation; and if any director or other officer shall be convicted upon indictment of directly or indirectly violating this Section, he shall be punished by fine or imprisonment, at the discretion of the Court. The books, papers, and accounts of all banks shall be open to inspection, under such regulations as may be prescribed by law.

JOINT SELECT COMMITTEE

IN 1867, the disfranchised Southern whites, faced by Negro suffrage and military administration under the Reconstruction Acts, set about recapturing their rights through the creation of secret societies like the Ku-Klux Klan. Whatever the purposes of the original organizers may have been, these societies soon became secret terrorist bands using the lash, the gun and the rope, and attacking both whites and freedmen. The movement was not two years old before its leaders realized the social implications of secret government by organized violence and ordered the Klan disbanded as an interstate organization.

Local societies continued, however, and their methods did not become less effective—or more gentle. In 1871, the activity of local klans in North Carolina had reached the point where order could not be preserved. Federal supervision of Congressional elections had been authorized in February, but in April accounts of conditions in North Carolina provoked Congress to the passage of a law giving to the Federal government the authority to deal with secret conspiracies. By the same act, the President was authorized to suspend the writ of habeas corpus and use the army to put down disturbances in the affected areas.

Opposition to the breadth of this program led to the establishment by Congress of a "Joint Select Committee to Inquire into the Condition of Affairs in the Late Insurrectionary States." This Committee divided itself into several subgroups which took testimony on the spot as well as in Washington. The majority reported the existence of widespread disorders motivated by the attempt to restore white supremacy. One of the witnesses declared that "the people of Georgia will vote the negro population whenever we are left to ourselves." Since the bulk of Southern property still remained in the hands of disfranchised ex-rebels, they necessarily retained their influence in the South, the Subcommittee on State Debts and Election Laws reported. It suggested the removal of those disabilities, therefore, and the consequent coupling of responsibility with financial power. For the rest, the country should have patience and enforce the law.

The minority report is far less complacent in tone. The people of the South have been "defamed" and made the victim of "unspeakable outrage." Most of the testimony offered the Committee is mere hearsay report of matters which occurred from two to six years earlier. Actually, both life and property were entirely safe in the South and there was no excuse for giving the President extraordinary power. The Southern people had believed that repeal of the ordinances of secession and the recognition of emancipation would restore them to their former position in the Union. Instead, they had been subjected to misrule and exploitation by Northerners and Negroes. And the minority report referred to the case of the South Carolina State Senator, Beverly Nash, who had told a Negro public meeting that taxes should be raised until the planters were forced to "put these lands back where they

belong into the hands of those who worked for them. You toiled for them, you labored for them and were sold to pay for them and you ought to have them."

The Joint Select Committee's thirteen volumes of testimony, poor legal evidence though they may be, relate how white property owners reestablished themselves in control of their communities. An excerpt from the minority report is printed here and also portions of the testimony. The *Report* of the Joint Select Committee was printed as Senate Document No. 411, 42d Congress, 2d Session (Washington, 1872).

Minority Report

BY THE JOINT SELECT COMMITTEE

. . . WHILE WE do not intend to deny that bodies of disguised men have, in several of the States of the South, been guilty of the most flagrant crimes, crimes which we neither seek to palliate nor excuse, for the commission of which the wrongdoers should, when ascertained and duly convicted, suffer speedy and condign punishment, we deny that these men have any general organization, or any political significance, or that their conduct is indorsed by any respectable number of the white people in any State; on the contrary, the men and the bands by which such outrages are perpetrated are almost universally regarded by the intelligent people of the several States as the worst enemies of the South, as they furnish the men now in power at Washington the only excuse left to maintain war upon them, and to continue the system of robbery and oppression which they have inaugurated—a system which is destructive not only of their peace and prosperity, but is intended to blacken and malign their character as men before the country and the world. We will show, by testimony incontrovertible, that in no one of the six States of North and South Carolina, Georgia, Alabama, Mississippi, and Florida, has there, at any time, existed combinations of lawless men in one-tenth part of any one of said States.

These six States have, in the aggregate, a population of 4,973,738, and the total number of their counties exceeds 420. We do not fear successful contradiction when we say that there never was a disguised band in one-tenth part of them, or in over 40 of these 420 counties, simply in a county here and there, or at most in one or two counties together in several of these States have such bands committed depredations; and we will show to all men not blinded by prejudice or passion, that the Ku-Klux bill, and the proceedings thereunder are the grossest outrage, the foulest calumny, ever perpetrated or circulated upon or against a helpless people by their rulers—who ought, for that reason if for no other, to be their friends instead of being their relentless enemies and calumniators.

To make our report clear and intelligible to the mass of the American people, on whose innate honesty and sense of justice we rely—for we fear no facts will have any effect on the partizan majority in Congress, who have already shown by the passage of the Ku-Klux bill against their will and judgment that they dare not disobey the orders of their imperious, not to say imperial President, it will be necessary to state briefly the legislation of Congress and the acts of the Executive relative to the States of the South for the last five years. When that is done, their present condition and the political opinions and feelings of that people will be readily understood; and much that, without a recollection of these things, would appear strange to a western or northern man living in a well ordered community, with all his rights properly protected by officers duly elected, and equally interested with himself in the maintenance of law and order, and in the just and equal protection of the lives, liberty, and property of all men of all political parties, will be readily comprehended.

It is shown that, when the war ended, the people of the South, relying on the promises made by the Federal generals while their commands were in the field, on the negotiations preceding the surrender, on the proclamation of the President, and the utterances of both the press and the public men of the North, as well as upon the terms actually agreed on between Generals Grant and Sherman, and Generals Lee and Johnston, at the time of the capitulation of the armies of the latter, were induced to believe, and did believe, that when resistance to Federal authority ceased, and the supremacy of the Constitution of the United States was recognized in the seceded States, and especially after the ordinances of secession were repealed and an amendment to the Constitution abolishing slavery everywhere was ratified by their legislatures, that a full and complete restora-

tion of the Southern States, and the people thereof, to their former position of coequal States in the Union would at once take place; and after the exhaustion of such a terrible war, they hailed the return of peace upon such terms not only with satisfaction, but with delight. They acknowledged defeat, accepted the situation, went to work earnestly to build up their waste places, retrieve their lost fortunes, and were determined honestly and earnestly to support, defend, and maintain the Union and the Constitution. Large numbers of the southern people in the seceded States had never felt any hostility to the General Government, and had only followed the fortunes of their States and people during the war, when they were impotent to resist, and when it was folly to oppose the action of those in authority.

It was not to be expected that such a mass of men as composed the confederate army, and were connected with its administration, could at once return to the ordinary avocations of civil life without confusion or disturbance. The men who composed the Federal Army, when the war closed, found, on their return to their homes, a healthy, prosperous, peaceful, and well-organized society, into which they were not only received and welcomed, but were properly made the recipients of whatever it was in the power of the people to bestow; while the Government of the United States with a lavish hand provided, through the medium of pay, pensions, and bounties, for their wants and sufferings. It was not so in the South.

There society was greatly disorganized; the strain upon the people to supply the armies in the field had exhausted their resources; the regions which had been the scene of active military operations were laid waste; starvation stared the people in the face; labor was absolutely demoralized; the negro population, which, as slaves, had furnished the great bulk of their labor, being liberated; in their poverty, ignorance, and incapacity to appreciate the effect of their altered condition, were slow to realize the necessity for constant and continued labor on their part, so that the confederate soldier, and all others who had, during the years of war, devoted themselves to that cause, found, on the return of peace, nothing but poverty and ruin in all their land, and themselves absolutely beggars among a people who had nothing to give.

Under such circumstances it was, as before stated, impossible to restore harmony in civil government without some confusion; yet, so earnestly did that people struggle to return to their allegiance, and thus entitle themselves to the protection which had been promised to them, that, from the day of the surrender of their armies, no hostile arm has ever been raised against the authority of the United States.

Before even breathing-time was allowed them, a set of harpies, most of whom had shirked the dangers of the battle-field, camp-followers, horse-holders, "cow-boys," plunderers from both sides during all the years of strife, rushed down singly and in squads on that people, thus prostrate and defenseless, and for their own private gain seized and carried off whatever could be found worth seizing in that country. All remonstrance or resistance was stifled and crushed out by the cry of disloyalty and treason they raised against the southern people, and by the pretense that the plunderers were persecuted because of their loyalty and devotion to the Union, and especially to the republican party and its continued supremacy. . . .

The men of the South, under the programme laid down for them, reorganized their State governments, elected Representatives and Senators to Congress, ratified the thirteenth amendment to the Constitution of the United States by their State legislatures, conferred by law all civil rights on their emancipated slaves, in short, did all that they thought the Federal Government wanted them to do.

But they were mistaken; they had failed to elect men to Congress who would blindly obey the orders of the leaders who then dictated and were determined to continue to dictate the legislation of the country. A system had grown up whereby great, protected, and moneyed monopolies were fostered and enriched at the expense of labor, and especially of agricultural labor, which it was not believed the representatives of southern constituencies would sustain. The doors of Congress were closed upon them (of course not avowedly for the true reason) and, so far as they were concerned, taxation without representation was their fate from that time forward, and has so continued with some exceptions substantially until now. When they had not a Representative in Congress a tax of three cents a pound was levied upon all cotton exported, that being their great staple product, while every other portion of the country could export its products duty free.

The Freedmen's Bureau bill and the civil-rights bill were next imposed upon them by the other States. (We perhaps ought to say that Tennessee had, in the mean time, sent men to Congress will-

ing to obey all orders of their party leaders, and they had been admitted, of course.)

Then followed the series of reconstruction measures, with the fourteenth and fifteenth amendments, which they were required to accept, indorse, and approve, as a condition precedent to being allowed to have any civil government at all; because, until that was done, the liberty and property of every man, woman, and child, loyal and disloyal, white and black, were held at the mercy of any soldier who might be placed over them.

Men in the Northern and Western States have but a faint idea of the oppressions wantonly heaped upon the people of the South; of the insolence of the adventurers who were made their masters; of the strife they stirred up by their appeals to the worst passions of the ignorant negroes, inciting them to crimes, and deceiving them by false promises of conferring upon them the property of their former masters, in order that they, by the votes of the negroes, might ride into power and place, which they never would have thought of at home, and thus be enabled to rob and plunder a people whose most intelligent men and largest property-holders were disfranchised by Congress, the more surely to enable the Freedmen's Bureau agents, and other adventurers, to obtain and hold undisputed possession of all the functions of government, State and Federal.

A careful reading of the testimony taken by the committee—for on these points there is no dispute and no conflict—would convince every impartial man that the endurance and long-suffering of that people has been such as no people ever before exhibited.

We have not the space to set forth one-tenth part of the proof taken, illustrating, we might say demonstrating, the truth of our assertions; but we feel it to be incumbent upon us, as the testimony is too voluminous to be read, to give some extracts from a few of the many intelligent witnesses examined, especially as to the kind of men put in authority by Congress, and their management of the negro. . . .

TESTIMONY

Washington, D.C., *August* 4, 1871.

HENRY B. WHITFIELD sworn and examined.

Question. Where do you reside?

Answer. At Columbus, Mississippi.

Question. In what county is Columbus?

Answer. Lowndes County.

Question. How long have you lived there?

Answer. Since February, 1839.

Question. Are you a native of Mississippi?

Answer. No, sir; I was born in the State of Georgia; I have resided in Mississippi since I was three years old.

Question. Are you a son of Ex-Governor Whitfield, of Mississippi?

Answer. Yes, sir.

Question. Have you ever held any public positions in the State?

Answer. Yes, sir; I am at present mayor of the city of Columbus.

Question. Have you been mixing with the people of Lowndes and the adjoining counties, and have you been engaged in business with them so as to know the condition of affairs generally?

Answer. I am familiar with people in my own and the adjoining counties, having mingled with them considerably. My position has been such as to bring me in frequent contact with them.

Question. What business are you engaged in at this time?

Answer. I am an attorney-at-law, and am engaged in the practice of the law, in addition to my official position as mayor of the city.

Question. This committee is charged with inquiring into the condition of affairs in Mississippi and other States, especially in reference to the safety of property and life, and the due execution of the law. State anything you know on that subject.

Answer. I consider that in the counties in Eastern Mississippi particularly, and on the Alabama line, and in North Mississippi, on the Tennessee line, there is considerable insecurity to liberty of person, and in some instances to life, unless a party espouses certain opinions.

Question. What opinions do you mean?

Answer. I mean that if a white man, an old citizen of the county, is known to be a member of the republican party, the people are very intolerant toward him; and if a northern man who has come there is a republican they are a little worse toward him; and toward the black people, unless they are willing to vote as the people there desire them to vote, they are very intolerant.

Question. State the extent to which this intolerance is carried with reference to any or all of these classes.

Answer. So far as I am personally concerned, I have lived there so long, and the people know me so well, that there has been no particular proscription in regard to myself. Nobody has ever attempted anything toward me, or said anything offensive about me, so far as I am aware.

Question. The rule adopted by this committee

is different from that practiced in courts of law as to the admission of testimony. You can state here, not only what you know upon personal knowledge, but what you know from others whom you believe entitled to credit.

Answer. Well, sir, of my personal knowledge I know nothing on this subject; but from the evidence of others, who I believe are entitled to the greatest credit, and, in fact, from a cloud of witnesses, I can state many things that have occurred in the country there showing the insecurity of personal liberty and the expression of opinion.

Question. Take first your own county of Lowndes, and state the condition of things there.

Answer. I will state in the first place that the county of Lowndes immediately adjoins the State of Alabama. It is one of the largest and wealthiest counties in the State. I believe it is the second largest in wealth and population. The county is almost equally divided by the Tombigbee River. The eastern part of it is a sandy country; the western part a very rich prairie country. There is a large black population in the county, particularly on the western side of the river; on the eastern side, although there is considerable black population, the white people rather preponderate. Back as far as the year 1868 was the first time that we had any indications there of any organizations which appeared to be for improper purposes—for the purpose of controlling opinion or making people do as they wanted them to do. Such organizations then existed, being organized during the campaign of 1868—at the time of the election for the convention in the State. During 1869 and a part of 1870, we did not hear of anything of the kind to any extent in Lowndes County. But last February the thing seemed to have broken loose again with every indication of violence, and to a very outrageous extent in the northeastern part of the county.

Question. The part of the county bordering on the Alabama line?

Answer. Yes, sir; the part bordering on the Alabama line; and then along the line of Monroe County, the county in Mississippi immediately north of us. I will state that the first outbreak which occurred was in the latter part of February of the present year. The victim was a negro named James Hicks. I saw him after the occurrence; I went out with the superintendent of education to see him. He had lived up in the neighborhood of Caledonia, which is in the northeastern corner of the county. It was charged that while there he had used some improper language in regard to some white ladies of the neighborhood; and these people determined, I suppose, that he should suffer for it. He had moved down some seven miles below that, into another neighborhood. They found out where he lived, followed him down there, and took him out one night. From the best information I could get, there were from one hundred to one hundred and twenty disguised men, who were armed heavily. They took him out into the public road and whipped him. The statements of the witnesses varied considerably as to the amount of whipping he received. The lowest estimate that I heard was three hundred lashes; some of the black people who were present thought it was as high as one thousand. I have no doubt myself, from the man's appearance two days afterward, and from the evidence in the case, that he was very severely beaten. He was ordered to leave the country in ten days under penalty of being hung. The party then went from this man's house to one of the public school-houses, which was about half a mile distant. A gentleman named H. W. Farmer was teaching the school at that place. He was an innocent, inoffensive white man. The board of school directors of the county, (of which body I am a member,) on sending him out to the neighborhood, had told him to endeavor to get board with some white family in the neighborhood, and we gave him letters of introduction for that purpose. We desired to avoid every appearance of anything that would give any cause for suspicion or complaint. When he went out there he applied to three or four white families in the neighborhood to get board, but did not succeed. He then got a house from an old black man who lived near the school-house, and he had his room, his bedding, and everything of that kind in this house to himself. These black people prepared his meals for him and carried them to the house where he slept. This party went to his house and called him out. He came to the door and asked them what they desired. They told him they wanted to talk with him. They said that he had no business in the country teaching free schools, that they were going to break them all up; that the system was a grand humbug, an imposition upon the people, and that they were determined there should be nothing of the kind in that part of the country. They told him they did not intend that night to do him any harm, but that they were coming back in ten days, and if he was there at the end of that time he would find himself dangling at the end of a rope. There was considerable excitement among the people of the neighborhood. The next day the man came into the town of Columbus, the county seat, with a good many of the freedmen. The circuit court was then in session, Judge Jehu A. Orr, a brother of James L.

Orr, of South Carolina, presiding. The town papers published an account of the affair, stating that a Ku-Klux outrage had been committed, or that the Ku-Klux had visited a negro at a certain place, and run off a school-teacher named Farmer, or something to that effect. The grand jury came into court that morning to adjourn, having finished their business, as they said. The judge, however, called their attention to this article in the paper, and told them that the matter had also been brought to his attention by other parties, and that he could not suffer the grand jury to adjourn until they had made a thorough investigation of that matter; that the affair had occurred almost within hearing of the court; that he was determined to have the law executed if it could possibly be done; that they must return to their room, summon witnesses, and make a thorough investigation of the case. . . .

Question. The school which had been kept by Mr. Farmer was broken up?

Answer. Yes, sir, broken up completely. There has been no school there since. That same night they went after a negro by the name of Perkins; I forget his first name. There was an idea through the country that he had been stealing hogs—that he was in the habit of stealing. They went after him, but they did not find him. He ran off when he found that they were coming, and took to the woods.

After that there seemed to be gotten up a great deal of feeling in that part of the country; in fact all through the country, in regard to the public schools. There seemed to be a general concerted raid made by a large body of these disguised men or Ku Klux. They visited seven others of our school teachers and ordered them to stop teaching. I believe I can state candidly that I have no motive on earth to say anything on this subject calculated to injure the people there. There are many of us in that country who are most intensely opposed to all such illegal methods of proceeding; not only on account of their being in gross violation of the law and the constitution, and, tending to the upturning of society, but we oppose them upon principles of political economy and for other reasons that can be urged. There could have been nothing in the management of those schools to induce such action. I can illustrate this remark by referring to the schools in detail. I begin with the schools in the most northeasterly part of the country, immediately adjoining the Alabama line. A school was taught there by a man named William B. Kolb, an old citizen of the country, who had lived there ever since I can recollect. He was for a number of years a member of the board of police or the board of supervisors of the county. As a man he had the confidence of everybody in the community. He was one of the teachers who were ordered to quit.

Question. Did he finally quit?

Answer. Yes, sir. They were all afraid; and they did not dare to teach school after receiving these warnings. After a time the board of school directors met and passed a resolution that if any of the teachers desired to continue their schools as pay schools they could do so and could have the use of the houses and the school-furniture. Some few of them resumed in that way; but every one of them ceased to carry on his school as a public school. In fact, we could offer them no inducement sufficient to make them continue. They were afraid of their lives. That was what they said. . . .

Question. These things occurred last February?

Answer. Yes, sir, along in February or March. There were five other schools broken up of pretty much the same character as these. Only two of the schools were taught by northern men. These were men who had come down there some two or three years before, and had conducted themselves with propriety. The other schools were all taught by old citizens of the country.

Question. Were any school-houses burned in that section of the country?

Answer. No, sir, none were burned. . . .

Question. Is there anything else you wish to state upon the subject of schools?

Answer. I would like to state that I have here a circular issued by the county superintendent, which I would like the committee to examine, and I would be glad to have it appended to my testimony. I wish also to state that the great idea which seemed to prevail among those people in that section of the country was intense opposition to schools for the blacks; that was the great hobby; they said they were not in favor of having people pay tax to educate the negroes. There are in this circular statistics which show conclusively that such talk was all false and utterly ridiculous; that the portion of the poll-tax of the county which under the constitution of the State went exclusively to the support of public schools, together with our *pro rata* proportion of the State fund, which is distributed *pro capita*, (there being a much larger number of blacks in our county than whites)—the income derived from these sources for the support of public schools would fully if not more than support them, so that they would not require for their support one dollar of direct tax upon the property of the county.

Question. Had you laid any tax upon the property of the county?

Answer. There was a tax levied in accordance with the constitution and the laws. It was levied by the board of supervisors to the amount of $21,000 for that portion of the county outside of the city of Columbus, and $6,000 within the city, which was a separate district. But a public meeting was held in Columbus, and there was a great deal of opposition expressed in regard to the tax and the public schools. The gist of the whole matter was opposition to free schools. A meeting was held and a committee appointed to wait on the board of supervisors. Some of the board were timid and vacillating men; and upon improper representations the board repealed the entire school-tax, and ordered the sheriff to refund the portion which had already been collected, which was about one-half or two-thirds of the tax.

Question. Do you mean the school-tax upon the property of the county?

Answer. Yes, sir.

Question. So that you were running your schools under the general State fund—what is known as the Chickasaw school-fund?

Answer. Only a portion of our county is within the Chickasaw cession. Our portion of that fund was but small, and it was pretty much squandered.

Question. You were running your schools upon the general school-fund and the poll-tax?

Answer. Yes, sir. That general fund comes from the State, and should be distributed about the 1st of June. To entitle us to our share of that fund, it was necessary that the schools should have continued four months. We intended to have the schools continued five months; but we abandoned that idea after the repeal of this tax, when we were left without funds. In fact, the repeal of that tax was simply repudiation; it amounted to nothing else in the world. The teachers have not received a dollar of pay yet.

Question. You ran your schools, then, so far as you did run them, from the general State school-fund?

Answer. Yes, sir; from that and the poll-tax.

Question. Did the colored people generally pay that poll-tax?

Answer. They are paying pretty well now. I have talked with a great many of them. I am satisfied that my acquaintance through the country is as extensive as that of any man in the county. I lived last year and for two or three years before on my plantation near Artesia, in the western part of the county—a very populous black district. The black people out there were perfectly willing to pay their poll-tax. It has been alleged as a ground of complaint, through the county and through the country generally, that the blacks have not paid their taxes, and particularly that they have not paid their poll-tax. But I am satisfied that where they have failed to do so it has been more the fault of the sheriffs of the counties than their fault. There were several of us this time who went to the sheriff and told him that he must make an honest effort to collect the poll-tax from the people; that they were willing to pay it; and that if he did not collect it faithfully, we intended to hold him responsible. I intended to make a motion against him and his securities at the next term of the court if he did not make an honest effort and exhaust every means to collect this tax. The non-collection of this tax had been made a great cause of complaint; and we were determined that that ground of complaint should not exist, particularly when the people were willing to pay the tax. The sheriff appointed men to go into the different parts of the county; and for some weeks they have been collecting the tax readily and largely.

Question. From the colored people?

Answer. Yes, sir. In some cases the employers make arrangements to pay the tax for them and take it out of the crop. There are very few instances, so far as I have heard, where they are not entirely willing to pay. Sometimes they have not understood how it was assessed, &c.; but whenever they have understood it, they have shown their willingness to pay it; and if they did not have the means, they would try to make some shift to pay it by an arrangement with their employers or something of that kind.

Question. Have there been any whippings in your county in addition to what you have already mentioned?

Answer. Those that I have spoken of particularly were whippings in the county of Lowndes; but there is one other case which I omitted to mention. It occurred last fall, or rather last winter. There was a black man named Mason, who was killed in the southeastern part of the county in December, 1870, by a body of disguised men. He was shot in his house.

Question. What was the assigned cause for that act?

Answer. None of us have been able to trace it to any particular cause, unless it was that the negro was an influential man in his neighborhood. I heard at the time that it was probable he had had some little dispute with his employer, a young man named Holbert, about a settlement for the crop; but Mr. Holbert did not take any notice of the affair during the day or for some days after-

ward. He evidently did not attach sufficient importance to it to do anything with the negro. Two or three nights afterward these disguised men came and shot this negro. They did not kill him, but mortally wounded him; he died in the course of a day or two. There was no investigation had in regard to the matter; not even an inquest was held on him. . . .

Question. Did you ever hear what offense was imputed to Malone, for which he was killed?

Answer. There were various offenses. He was said to have been obnoxious, on account of his being a prominent man over there in that neighborhood.

Question. He was a colored man prominent among the colored people?

Answer. Yes, sir; he seemed to have been a very good man. The white people up there, after he was killed, said he was a good man and good citizen; that nobody in that county found any fault with him. Some white men that knew him personally said so. I don't remember their names now.

Question. Was he supposed to have been killed on account of his political influence and the way he exercised it?

Answer. He was supposed to have been killed for his threats to resist the visits of these klans that were riding around. He had proposed to give them a warm reception if they came around the place there. It was said that he had talked with some of the colored men around there and proposed for them to arm themselves, and if they came around there to give them a fight. That was the general rumor among the colored people. The white people that I heard talk about it said that they could not account for his being killed; that he was a good citizen, a good negro, and worked well; was industrious and attended to his own business, and had charge of a squad of men working some man's plantation. . . .

[The following is the testimony of another witness]

Question. They were notified that they must stop teaching?

Answer. Yes, sir.

Question. And the reason was that the people did not mean to submit to taxation for the support of those schools?

Answer. No, sir; the great thing was that they did not intend to have free schools. The tax was brought up as an incidental matter; but the opposition was to public schools anyhow.

Question. Was not the tax collected entirely from the white people?

Answer. That which had been collected came mostly from the white people. . . .

Question. It would bring the entire tax upon the white people of the county?

Answer. That might be so generally as to the tax upon property; but then everybody, including the blacks, pays a poll-tax of $2.

Question. Has that ever been paid by the negroes?

Answer. It is being paid now by them; it has not been to any extent heretofore. This is the first year that the school system was ever put in operation.

Question. But that poll-tax never had been collected?

Answer. Very little of it has been collected heretofore; but I think that was the fault of the sheriffs, not of the negroes.

Question. Those officers were generally radicals, were they not?

Answer. They were republicans; I do not say that they were radicals, for some of them were pretty liberal in their views. . . .

Question. I understood you to testify that the teachers of these schools were mostly residents of your State?

Answer. Yes, sir; I am speaking now more particularly of Lowndes County.

Question. And that they were by no means objectionable to the people at large; that the objection was not on account of the character of the teachers?

Answer. No, sir; I am positive that it was not.

Question. There was no objection made as to the character of the teachers?

Answer. No, sir.

Question. But there was objection to the amount of tax levied to be applied for this particular purpose?

Answer. Yes, sir.

Question. And that seems to have been the root of all this disturbance in your part of the country?

Answer. Well, sir, I think that the majority of the people who went into these disturbances were opposed to free schools.

Question. They were opposed to contributing, impoverished as they had been by the war, for the education of the blacks, who have been so vauntingly called the "wards of the Government of the United States?"

Answer. Yes, sir; that was the main hobby in this opposition. But the very object of this circular was to show the people that that was not a true position; that it was a prejudice; that the facts did not sustain it. . . .

Question. How many negro voters are there in your county?

Answer. About four thousand five hundred negro voters and one thousand five hundred or one thousand six hundred white voters.

Question. If the poll-tax had been fully collected from the blacks, what would have been the amount?

Answer. About $9,000.

Question. And you think that the $9,000 which would have been obtained if every dollar of the poll-tax due from the negroes had been paid, would have sufficed to educate those six thousand black children?

Answer. No, sir; I do not say that, because their proportion of the State school fund would have amounted to fully as much as the poll-tax, if not more.

Question. Is not the State school fund derived from taxation?

Answer. No, sir; it is derived from licenses to retail whisky, from the sale of swamp lands, the sale of lands for taxes, the taxes paid by physicians and others—what is generally called the privilege tax. I think that the poll-tax paid by the colored people and their proportion of the State school fund would have supported the colored schools of the county.

Question. How many schools were there in your county?

Answer. Thirty-one white schools, and twenty-five colored.

Question. What salaries did you pay the teachers in the colored schools?

Answer. Two or three of the teachers, whose schools were very large, were paid $80 a month; but the salary was generally $40 or $50 a month; and in several of the colored schools only $25 and $35 a month was paid. We got teachers of colored schools for one-half and even one-third of what we paid teachers of white schools. Besides, the houses used for the colored schools were very inexpensive; and we bought no school furniture for them; we took just such seats and desks as we could pick up; we fixed them up cheaply. We did not buy a dollar's worth of furniture for the colored schools in our county.

Question. Do you suppose that the number of colored schools you have stated would have been the extent of those schools—that they would not have been increased?

Answer. We were compelled to have six more schools in order to draw our *pro rata* share of the school fund. The constitution requires that so many schools shall be maintained in each subdistrict of the county, in order to entitle it to its share of the school fund.

Question. Then you were not entitled to draw upon the State school fund?

Answer. We were not entitled to draw our share until we had completed our complement of schools, which has now been done. I think that this circular which I have here has demonstrated to a good many people that the poll-tax paid by the colored people, and their proportion of the "privilege tax" from the State, would have supported the colored schools. . . .

Question. You feel that your government in Mississippi is quite free from corruption?

Answer. Yes, I do. I think that the general character of the legislation of our State has been as good, all circumstances considered, as that of any State in the Union. And we have a very good state of affairs there. There are a great many people through the country who are much opposed to northern men, or what are usually termed "carpet-baggers;" but the feeling generally, I believe, is better—

Question. I have reference to the State government.

Answer. The State government, I think, is in almost all respects unexceptionable.

Question. You hear no particular complaint of the judiciary of your State?

Answer. No, sir. As I stated a while ago, our judiciary is exceedingly able.

Question. And for these two reasons, if for no others, you feel there is no occasion, or justification, or palliation for these Ku-Klux outrages?

Answer. None whatever; and I have never yet heard any charge, or pretended charge, alleged as a ground for outrages of any kind, that could not have been reached through the civil tribunals, except the Ku-Klux outrages themselves; and these, as I have stated, it is impossible to reach through the ordinary course of legal proceedings, because witnesses are afraid to swear to what they know. . . .

Question. The pretext given for these outrages in some States is that the pardoning power has been exercised too freely. That is not the case in Mississippi?

Answer. That is not the case in Mississippi. There have been fewer pardons under Governor Alcorn's administration than I remember to have been granted under any former administration.

Question. The pretext given for these outrages in some other localities is that the judiciary is partial, corrupt, and incompetent. Is that so in Mississippi?

Answer. No, sir; it is not.

Question. The pretext given in other localities is that there were burnings of barns and other buildings by the colored people. Has there been anything of that sort in Mississippi?

Answer. No, sir; nothing of the kind.

Question. Another pretext which has been given is that there have been rapes by colored men upon white women. Have you heard anything of that sort in Mississippi?

Answer. No, sir. I did hear of one instance of that kind over in Alabama—a very aggravated case; but I never heard of anything of the kind in Mississippi.

Question. Another pretext which has been given in some localities is that the Union Leagues have been operating in such a manner as was not exactly pleasant or proper. Have you had any Union Leagues in those counties of Mississippi to which you have referred?

Answer. I have never heard of the existence there of anything called a Union League. We had the "Alcorn clubs."

Question. I am now inquiring as to the National Union League.

Answer. There has never been anything done by any organization of that kind to excite hostility.

Question. Another pretext which has been given in certain localities is that the colored men have been in the habit of mustering with arms in their hands.

Answer. There is nothing of that kind in Mississippi. The militia there is just being enrolled. There have been some militia organizations, both black and white, mustered in; but they have not any guns. The governor has but few arms, and he will not let them have them.

Question. Another reason given for the organization of the Ku-Klux in some localities is that the militia laws were such that the governor had power to call out negro militia and not to call out white men.

Answer. That is not so in Mississippi, because they are all enrolled. Two militia companies have been organized in the city of Columbus and mustered into the service of the State; one company is composed of white people, and the other of blacks.

Question. So that none of these things which have been made the pretext elsewhere for Ku-Klux operations exist in Mississippi?

Answer. No, sir; not one of them.

Question. The pretext given in Mississippi is that you have too many schools, and impose too much tax for their support?

Answer. Yes, sir; that is the pretense; but the real feeling is opposition to public schools. The fact is, the democrats want to get control of the State; that is just "the milk in the cocoa-nut." I know that last fall, after the election in Alabama, it was a common saying all through our country, "We must carry Mississippi just like Alabama has been carried;" and all of us understood how Alabama was carried.

Question. What was the understanding in regard to that?

Answer. The understanding was of course that it was carried by the Ku-Klux. Some of the counties in which the republicans had the largest majorities were carried by the democrats.

Question. You say that in Mississippi the effect of this organization is, as it has been testified to be in other States, to intimidate the colored people and put them in a condition of alarm and terror?

Answer. Yes, sir; I do say that such is the effect there.

Question. And you believe that the effect will be to deter the colored people from voting the republican ticket in elections?

Answer. Yes, sir; I believe that if about the time an election was coming on in Mississippi there were a few Ku-Klux raids it would so terrify the colored people that you could scarcely get one of them out to vote. I know this to be so, because I have seen it tried partially.

Question. Is it likely that men would engage in such crimes, having in view a political object, without giving some pretext or other, outside of the political bearing of their operations?

Answer. I suppose that of course they would not hold up to public view the prime object, because that would be at once recognized as a subversion of the principles of our Government, and would not be tolerated; it would weaken them in their own country. Hence they are compelled to assign some other pretext.

Question. The pretext assigned in Mississippi is that there are too many public schools, and that too much tax is imposed?

Answer. Yes, sir; and that in many instances men commit crimes which cannot be reached by law, which I say is not the fact.

TRAVELERS IN THE SOUTH

As soon as the Civil War was over, both the curious and those who sought to bind the wounds of war flocked to the South. From the reports of returning travelers—none of them as famous as those who visited the South in the antebellum period or indeed the United

States a generation later, but most of them conscientious observers—we get many interesting sidelights about life and labor in the war-ravaged and war-weary region. Sherman's march had truly been devastating; the South's failure to provide popular education had isolated the section from the rest of the world; capital for internal reconstruction was lacking, so the share-cropper system was making its appearance; the Federal government's fiscal policy was hindering rather than helping the revival of the South's economic life. But by the middle of the seventies there were signs of renewed activity—based, it is true, on the virtually forced labor of the Negro. Cotton was coming back; and, in another decade, there was to emerge a period of industrial promotions by which the South was to obtain railways, forges and mills, and factories.

Sidney Andrews had been a correspondent of the Boston *Advertiser* and the Chicago *Tribune* when he visited the Carolinas and Georgia at the end of 1865. His dispatches were collected into a book and published as *The South Since the War, as Shown by 14 Weeks of Travel and Observation in Georgia and the Carolinas* (Boston, 1860); the selections used here are taken from that work. It was Andrews who pointed out the South's cultural isolation. Said he:

"Stopping for two or three days in some back country, I was always seeming to have drifted away from the world which held Illinois and Massachusetts. The difficulty in keeping connection with our civilization did not so much lie in the fact that the whole structure of daily life is unlike ours, nor in the other fact that I was forced to hear the Union and all loyal men reviled, as in the greater fact that the people are utterly without knowledge. There is everywhere a lack of intellectual activity; while as for schools, books, newspapers, why, one may almost say there are none outside the cities and towns!

"Had schools abounded six years ago, I doubt if the masses of the South could have been forced into the war."

Edward King, a native of Connecticut, toured the South extensively during the whole of 1873 and the spring and summer of 1874. Many of his reports appeared as articles in *Scribner's Monthly* and were published in a volume called *The Great South: a Record of Journeys* (Hartford, 1875). The selections used here are from that book. King gives us the first extended contemporary account of the establishment of the share-cropper system. And he reports—quite dispassionately—the failure of Reconstruction. But the South was emerging from its ashes and Georgia was rebuilding: here King's account should be contrasted with that of Andrews, who had been to the scene of Sherman's march only a decade earlier.

The South Since the War

BY SIDNEY ANDREWS

IV: Scenes in the Track of Sherman's Army

Columbia, September 12, 1865.

The war was a long time in reaching South Carolina, but there was vengeance in its very breath when it did come,—wrath that blasted everything it touched, and set Desolation on high as the genius of the State. "A brave people never before made such a mistake as we did," said a little woman who sat near me in the cars while coming up from Charleston; "it mortifies me now, every day I live, to think how well the Yankees fought. We had no idea they could fight half so well." In such humiliation as hers is half the lesson of the war for South Carolina.

Columbia is in the heart of Destruction. Being outside of it, you can only get in through one of the roads built by Ruin. Being in it, you can only get out over one of the roads walled by Desolation. You go north thirty-two miles, and find the end of one railroad; southeast thirty miles, and find the end of another; south forty-five miles, and find the end of a third; southwest fifty miles, and meet a fourth; and northwest twenty-

nine miles, and find the end of still another. Sherman came in here, the papers used to say, to break up the railroad system of the seaboard States of the Confederacy. He did his work so thoroughly that half a dozen years will nothing more than begin to repair the damage, even in this regard.

The railway section of the route from Charleston lies mostly either in a pine barren or a pine swamp, though after passing Branchville we came into a more open and rolling country, with occasional signs of life. Yet we could not anywhere, after we left the immediate vicinity of the city, see much indication of either work or existence. The trim and handsome railway stations of the North, the little towns strung like beads on an iron string, are things unknown here. In the whole seventy-seven miles there are but two towns that make any impression on the mind of a stranger, —Summerville and George's,—and even these are small and unimportant places. Elsewhere we stopped, as it appeared, whenever the train-men pleased,—the "station" sometimes existing only in the consciousness of the engineer and conductor.

Branchville was, however, noticeable because of the place it once occupied in Northern anxiety. There is where Sherman was to meet his fate. Have we forgotten how the Richmond papers of early February spoke? They were not at liberty to mention the preparations, etc., but they might say, etc., and the Yankee nation would have sore cause to remember Branchville, etc. Unfortunately, however, Sherman flanked Branchville, just as he had other places of thrice its importance, and it missed the coveted renown. It is nothing but a railroad junction in a pine barren, with a long, low station-house and cotton warehouse, and three or four miserable dwellings.

I found the railroad in better condition than I supposed that I should. The rails are very much worn, but the roadbed is in fair order for nearly the entire distance. The freight-cars seemed in passably good repair; but the passenger-coaches were the most wretched I ever saw,—old, filthy, and rickety. On our train was one new feature,—a colored man and his wife, whose duty it was to wait on the passengers.

I came up from Orangeburg, forty-five miles, by "stage," to wit, an old spring-covered market-wagon, drawn by three jaded horses and driven by Sam, freedman, late slave,—of the race not able to take care of themselves, yet caring, week in and week out, for the horses and interests of his employer as faithfully and intelligently as any white man could. There were six of us passengers, and we paid ten dollars each passage-money. We left Orangeburg at four, P. M.; drove eight miles; supped by the roadside; drove all night; lunched at sunrise by a muddy brook; and reached Columbia and breakfast at eleven, A.M., thankful that we had not broken down at midnight, and had met only two or three minor accidents. I am quite sure there are more pleasant ways of travelling than by "stage" in South Carolina at the present time. Thirty-two miles of the forty-five lie in such heavy and deep sand that no team can travel faster than at a moderate walk. For the other thirteen miles the road is something better, though even there it is the exception and not the rule to trot your mules. The river here was formerly spanned by an elegant and expensive bridge, but the foolish Rebels burned it; and the crossing of the Congaree is now effected in a ferry, the style and management of which would disgrace any backwoods settlement of the West.

The "Shermanizing process," as an ex-Rebel colonel jocosely called it, has been complete everywhere. To simply say that the people hate that officer is to put a fact in very mild terms. Butler is, in their estimation, an angel when compared to Sherman. They charge the latter with the entire work and waste of the war so far as their State is concerned,—even claim that Columbia was burned by his express orders. They pronounce his spirit "infernal," "atrocious," "cowardly," "devilish," and would unquestionably use stronger terms if they were to be had. I have been told by dozens of men that he couldn't walk up the main street of Columbia in the daytime without being shot; and three different gentlemen, residing in different parts of the State, declare that Wade Hampton expresses a purpose to shoot him at sight whenever and wherever he meets him. Whatever else the South Carolina mothers forget, they do not seem likely in this generation to forget to teach their children to hate Sherman.

Certain bent rails are the first thing one sees to indicate the advent of his army. They are at Branchville. I looked at them with curious interest. "It passes my comprehension to tell what became of our railroads," said a travelling acquaintance; "one week we had passably good roads, on which we could reach almost any part of the State, and the next week they were all gone, —not simply broken up, but gone; some of the material was burned, I know, but miles and miles of iron have actually disappeared, gone out of existence." Branchville, as I have already said, was flanked, and the army did not take it in the line of march, but some of the boys paid it a visit.

At Orangeburg there is ample proof that the army passed that way. About one third of the town was burned. I found much dispute as to

the origin of the fire, and while certain fellows of the baser sort loudly assert that it was the work of the Yankee, others of the better class express the belief that it originated with a resident who was angry at the Confederate officers. Thereabouts one finds plenty of railroad iron so bent and twisted that it can never again be used. The genius which our soldiers displayed in destroying railroads seems remarkable. How effectually they did it, when they undertook the work in earnest, no pen can make plain. "We could do something in that line, we thought," said an ex-Confederate captain, "but we were ashamed of ourselves when we saw how your men could do it."

We rode over the road where the army marched. Now and then we found solitary chimneys, but, on the whole, comparatively few houses were burned, and some of those were fired, it is believed, by persons from the Rebel army or from the neighboring locality. The fences did not escape so well, and most of the planters have had these to build during the summer. This was particularly the case near Columbia. Scarcely a tenth of that destroyed appears to have been rebuilt, and thousands of acres of land of much richness lie open as a common.

There is a great scarcity of stock of all kinds. What was left by the Rebel conscription officers was freely appropriated by Sherman's army, and the people really find considerable difficulty not less in living than in travelling. Milk, formerly an article much in use, can only be had now in limited quantities: even at the hotels we have more meals without than with it. There are more mules than horses, apparently; and the animals, whether mules or horses, are all in ill condition and give evidence of severe overwork.

Columbia was doubtless once the gem of the State. It is as regularly laid out as a checker-board,—the squares being of uniform length and breadth and the streets of uniform width. What with its broad streets, beautiful shade-trees, handsome lawns, extensive gardens, luxuriant shrubbery, and wealth of flowers, I can easily see that it must have been a delightful place of residence. No South-Carolinian with whom I have spoken hesitates an instant in declaring that it was the most beautiful city on the continent; and, as already mentioned, they charge its destruction directly to General Sherman.

It is now a wilderness of ruins. Its heart is but a mass of blackened chimneys and crumbling walls. Two thirds of the buildings in the place were burned, including, without exception, everything in the business portion. Not a store, office, or shop escaped; and for a distance of three fourths of a mile on each of twelve streets there was not a building left. "They destroyed everything which the most infernal Yankee ingenuity could devise means to destroy," said one gentleman to me; "hands, hearts, fire, gunpowder, and behind everything the spirit of hell, were the agencies which they used." I asked him if he wasn't stating the case rather strongly; and he replied that he would make it stronger if he could. The residence portion generally escaped conflagration, though houses were burned in all sections except the extreme northeastern.

Every public building was destroyed, except the new and unfinished state-house. This is situated on the summit of tableland whereon the city is built, and commands an extensive view of the surrounding country, and must have been the first building seen by the victorious and on-marching Union army. From the summit of the ridge, on the opposite side of the river, a mile and a half away, a few shells were thrown at it, apparently by way of reminder, three or four of which struck it, without doing any particular damage. With this exception, it was unharmed, though the workshops, in which were stored many of the architraves, caps, sills, &c., were burned,—the fire, of course, destroying or seriously damaging their contents. The poverty of this people is so deep that there is no probability that it can be finished, according to the original design, during this generation at least.

The ruin here is neither half so eloquent nor touching as that at Charleston. This is but the work of flame, and might have mostly been brought about in time of peace. Those ghostly and crumbling walls and those long-deserted and grass-grown streets show the prostration of a community,—such prostration as only war could bring.

I find a commendable spirit of enterprise, though, of course, it is enterprise on a small scale, and the enterprise of stern necessity. The work of clearing away the ruins is going on, not rapidly or extensively, to be sure, but something is doing, and many small houses of the cheaper sort are going up. Yet, at the best, this generation will not ever again see the beautiful city of a year ago. Old men and despondent men say it can never be rebuilt. "We shall have to give it up to the Yankees, I reckon," said one of two gentlemen conversing near me this morning. "Give it up!" said the other; "they've already moved in and taken possession without asking our leave." I guess the remark is true. I find some Northern men already here, and I hear of more who are coming.

Of course there is very little business doing

yet. The city is, as before said, in the heart of the devastated land. I judge that twenty thousand dollars would buy the whole stock of dry goods, groceries, clothing, &c. in store. The small change of the place is made in shinplasters, printed on most miserable paper, and issued by the various business men, "redeemable in United States currency when presented in sums of two dollars and upwards." "Greenbacks" and national currency notes pass without question in the city, but are looked upon with suspicion by the country people. "Having lost a great deal by one sort of paper, we propose to be careful now," they say. Occasionally one sees a State bank-note, but they pass for only from twenty-five to sixty or sixty-five cents on the dollar. There is none of the Confederate money in circulation; though I judge, from what I hear, that considerable quantities of it are hoarded up in the belief that things will somehow take such a turn as to one day give it value.

There is a certain air of easy dignity observable among the people that I have not found elsewhere in the State,—not even in Charleston itself. Something of this is probably due to the fact that the capital is located here; but more of it, probably, to the existence of Columbia College. It was before the war a very flourishing institution, but has been closed during the last three years. The old but roomy buildings are in part occupied by the military authorities, partly by the professors and officers of the college, and are partly closed. No indication is given as to the time of reopening the school. It is said by residents that the city contained some of the finest private libraries in the South; but these, with one or two exceptions, were burned.

The women who consider it essential to salvation to snub or insult Union officers and soldiers at every possible opportunity do not seem as numerous as they appeared to be in Charleston; and indeed marriages between soldiers and women of the middle class are not by any means the most uncommon things in the world; while I notice, in a quiet, unobservant manner, as even the dullest traveller may, that at least several very elegant ladies do not seem at all averse to the attentions of the gentlemen of shoulderstraps. Can these things be, and not overcome the latent fire of Rebellion?

In coming up from Charleston I learned a great many things, by conversation with persons, and by listening to conversation between people; and these are some of the more important facts thus learned.

Thus, one man insisted with much vehemence that cotton is king, and that a resolution on the part of the South not to sell any for a year would bring the North upon its knees.

Another man was very confident that the North depends entirely upon the cotton trade for a living, and that a failure to get at least one million bales before spring will bring a tremendous financial crash.

Another gravely asserted that a state of anarchy prevails in the entire North; that the returned soldiers are plundering and butchering indiscriminately; and that there has recently been a most bloody riot in Boston.

Another, and a man of much apparent intelligence, informed me that the negroes have an organized military force in all sections of the State, and are almost certain to rise and massacre the whites about Christmas time.

Another had heard, and sincerely believed, that General Grant's brother-in-law is an Indian, and is on his staff, and that the President had issued an order permitting the General's son to marry a mulatto girl whom he found in Virginia.

A woman, evidently from the country districts, stated that there had been a rising of the negroes in Maryland; that a great many whites had been killed; and that some considerable portion of Baltimore and many of the plantations had been seized by the negroes.

And, finally, an elderly gentleman who represented himself as a cotton factor, declared that there would be a terrible civil war in the North within two years; that England would compel the repudiation of our National debt and the assumption of the Confederate debt for her guaranty of protection.

The people of the central part of the State are poor, wretchedly poor; for the war not only swept away their stock and the material resources of their plantations, but also all values,—all money, stocks, and bonds,—and generally left nothing that can be sold for money but cotton, and only a small proportion of the landholders have any of that. Therefore there is for most of them nothing but the beginning anew of life, on the strictest personal economy and a small amount of money borrowed in the city. It would be a benefit of hundred of millions of dollars if the North could be made to practise half the economy which poverty forces upon this people.

They are full of ignorance and prejudices, but they want peace and quiet, and seem not badly disposed toward the general government. Individuals there are who rant and rave and feed on fire as in the old days, but another war is a thing beyond the possibilities of time. So far as any fear

of that is concerned we may treat this State as we please,—hold it as a conquered province or restore it at once to full communion in the sisterhood of States. The war spirit is gone, and no fury can re-enliven it.

The spirit of oppression still exists, however, and military authority cannot be withdrawn till the relation between employer and employed is put upon a better basis. On the one hand, the negro in the country districts must be made to understand, what he has already been taught in the city, that freedom does not mean idleness. On the other hand, the late master should specially be made to understand that the spirit of slavery must go to the grave with the thing itself. It will not be an easy work to teach either class its chief lesson. We must have patience,—patience, and faith that neither faints nor falters.

The Great South

BY EDWARD KING

XXVIII: THE "SUPPLY" SYSTEM IN THE COTTON COUNTRY . . .

AT MEMPHIS I heard much concerning the miseries and revelations of both capitalists and laborers in the cotton country. It is easy to see that the old planters are in trouble under the new order of things. They are not willing to become farmers. "These people will never," said to me a gentleman familiar with the whole cotton-planting interest, "grow their own supplies until they are compelled to." They choose to depend upon the West for the coarse food supplied to negro laborers, and seem totally unconscious of the fact that they can never secure white immigration, so much desired, until they raise the status of the laboring man. White labor has proved a failure in a great many sections of the South, because the laborers who come to make trial are not properly met. They are offered strong inducements—can purchase good lands on almost unlimited credit, and are kindly received—but they find all the conditions of labor so repulsive that they become disheartened; and give up the experiment. The negro along the Mississippi works better than ever before since freedom came to him, because he is obliged to toil or starve, and because, being the main stay of the planters, they accord to him very favorable conditions. Self-interest is teaching the planters a good deal, and in the cotton-growing regions of Northern Alabama and Mississippi, as well as generally throughout the older cotton States, a diversity of crops will in time force itself upon them as a measure of protection.

It is noticed that cotton culture is gradually moving from the Atlantic seaboard to newer and more productive lands. The States west of the Mississippi, and bordering on that stream, are receiving immense colonies of negroes fleeing from the temporarily exhausted sections of Alabama, and the lands which they have left will soon come under the influence of fertilizers, and corn and rice and wheat will be raised. In consequence of the gradual change in the location of the planting interest, buyers from the North in such markets as Memphis hear from time to time that less cotton is planted than heretofore, and are led to figure on higher prices; but they find that new lands are constantly opened up, and that the yield on them is surprising. It is the belief of many acute observers living at important points along the Mississippi river that the ultimate home of the black man is to be west of that stream, on the rich bottom lands where the white man has never been known to labor, and where it would be perilous to his health to settle. In the fall and winter of each year the migration to Arkansas and Louisiana is alarming to the white planters left behind. In Western Tennessee the exodus has not been severely felt as yet, but it will doubtless come. The two hundred thousand negroes in that rich and flourishing region are reasonably content. They do not, in the various counties, enter so much into politics as they did immediately after the war. They show there, as, indeed, almost everywhere in the Mississippi valley, a tendency to get into communities by themselves, and seem to have no desire to force their way into the company of the white man.

There must, and will be, a radical change in the conduct of the rising generation of planters. The younger men are, I think, convinced that it is a mistake to depend on Western and Northern markets for the articles of daily consumption, and for nearly everything which goes to make life tolerable. But the elders, grounded by a lifetime of habit in the methods which served them well under a slave *régime*, but which are ruinous now-a-days, will never change their course. They will continue to bewail the unfortunate fate to which they think themselves condemned—or will rest in the assurance that they can do very well in the

present chaotic condition of things, provided Providence does not allow their crops to fail. They cannot be brought to see that their only safety lies in making cotton their surplus crop; that they must absolutely dig their sustenance, as well as their riches, out of the ground.

Before the war, a planter who owned a plantation of two thousand acres, and two hundred negroes upon it, would, when he came to make his January settlement with his merchant in town, invest whatever there was to his credit in more land and more negroes. Now the more land he buys the worse he is off, because he finds it very hard to get it worked up to the old standard, and unless he does, he can ill afford to buy supplies from the outer world at the heavy prices charged for them—or if he can do that, he can accomplish little else. As most of his capital was taken from him by the series of events which liberated his slaves, he has been compelled, since the war, to undertake his planting operations on borrowed capital, or, in other words, has relied on a merchant or middle-man to furnish food and clothing for his laborers, and all the means necessary to get his crop, baled and weighed, to the market. The failure of his crop would, of course, cover him with liabilities; but such has been his fatal persistence in this false system that he has been able to struggle through, as in Alabama, three successive crop failures.

The merchant, somewhat reconciled to the anomalous condition of affairs by the large profits he can make on coarse goods brought long distances, has himself pushed endurance and courage to an extreme point, and when he dare give credit no longer, hosts of planters are often placed in the most painful and embarrassing positions. So they gather up the wrecks of their fortunes, pack their Lares and Penates in an emigrant wagon or car, and doggedly work their way to Texas.

The appalling failure of crops in certain sections has not, however, lessened the cotton production of the region supplied from Memphis. In the aggregate it is greater than ever before, and I was informed that its increase would be even more than it is if so many planters did not "overcrop"—that is, plant more than they can cultivate. Those who plant a little land, and care for it thoroughly, usually make some money, even although they depend upon far-off markets for their sustenance, and are completely at the mercy of the merchants. It is believed that the crop failures will induce planters, in the sections which have suffered, to make an effort to grow their own supplies, and until that effort has been successful, there can be no real prosperity among them. Even when fortune smiles, and they make a good crop, but little is left after a settlement with the merchant. Life is somewhat barren and unattractive to the man who, after a laborious season spent in cultivating one staple, finds that, after all, he has only made a living out of it. He has done nothing to make his surroundings agreeable and comfortable; his buildings are unsightly and rickety, and there are very few stores in his cellar, if indeed he has any cellar at all.

The region which finds its market and gets its supplies in Memphis, Vicksburg, and Natchez, is probably as fair a sample of the cotton-producing portion of the South as any other, and I found in it all the ills and all the advantages complained of or claimed elsewhere. Imagine a farming country which depends absolutely for its food on the West and North-west; where every barrel of flour which the farmer buys, the bacon which he seems to prefer to the beef and mutton which he might raise on his own lands, the clothes on his back, the shoes on his feet, the very vegetables which the poorest laborer in the Northern agricultural regions grows in his door-yard—everything, in fact,—has been brought hundreds of miles by steamer or by rail, and has passed through the hands of the shipper, the carrier, the wharfmen, the reshipper (if the planter live in a remote section), and the local merchant!

Imagine a people possessed of superior facilities, who might live, as the vulgar saying has it, on the fat of the land, who are yet so dependent that a worm crawling over a few cotton leaves, or the rise of one or two streams, may reduce them to misery and indebtedness from which it will take years to recover! Men who consider themselves poorly paid and badly treated in Northern farming and manufacturing regions live better and have more than do the overseers of huge plantations in this cotton country. If you enter into conversation with people who fare thus poorly, they will tell you that, if they raise vegetables, the "niggers" will steal them; that if times were not so hard, and seasons were not so disastrous, the supply system would work very well; that they cannot organize their labor so as to secure a basis on which to calculate safely; and will finally end by declaring that the South is ruined forever.

These are the opinions of the elders mainly. Younger men, who see the necessity of change and new organization, believe that they must in future cultivate other crops besides cotton; that they must do away with supply-merchants, and try at least to raise what is needed for sustenance. There are, of course, sections where the planter finds it cheapest to obtain his corn and flour from

St. Louis; but these are small items. There are a hundred things which he requires, and which are grown as well South as North. Until the South has got capital enough together to localize manufactures, the same thing must be said of all manufactured articles; but why should a needless expenditure be encouraged by the very people whom it injures and endangers?

There are many plans of working large plantations now in vogue, and sometimes the various systems are all in operation on the same tract. The plan of "shares" prevails extensively, the planter taking out the expenses of the crop, and, when it is sold, dividing the net proceeds with the negroes who have produced it. In some cases in the vicinity of Natchez, land is leased to the freedmen on condition that they shall pay so many bales of cotton for the use of so many acres, furnishing their own supplies. Other planters lease the land in the same way, and agree to furnish the supplies also. Still others depend entirely upon the wages system, but of course have to furnish supplies at the outset, deducting the cost from the wages paid hands after the crop is raised. Sometimes the plantation is leased to "squads," as they are called, and the "squad leader" negotiates the advances, giving "liens" on the squad's share of the crop and on the mules and horses they may own. This plan has worked very well and is looked upon favorably.

Under the slave *régime*, the negroes working a large plantation were all quartered at night in a kind of central group of huts, known as the "quarters;" but it has been found an excellent idea to divide up the hundred or five hundred laborers among a number of these little villages, each located on the section of the plantation which they have leased. By this process, commonly known as "segregation of quarters," many desirable results have been accomplished; the negro has been encouraged to devote some attention to his home, and been hindered from the vices engendered by excessive crowding. On some plantations one may find a dozen squads, each working on a different plan, the planters, or land owners, hoping in this way to find out which system will be most advantageous to themselves and most binding on the negro.

Clairmont, a plantation of three thousand acres, of which one thousand are now cultivated, on the Louisiana side of the Mississippi river, opposite to Natchez, is cut up into lots of one hundred acres each, and on each division are ten laborers who have leased the land in various ways. It was amusing, by the way, to note the calculation that one negro made when negotiating for one of these tracts. He was to be allowed one-half, but was vociferous for one-tenth. As ten is more than two, he supposed a tenth to be more than a half. On this Clairmont, in 1860, the owner raised 1,000 bales of cotton and 8,000 bushels of corn; now he raises about 500 bales, and hardly any corn.

Still, the conduct of the laborers is encouraging. The little villages springing up here and there on the broad acres have a tendency to localize the negroes, who have heretofore been very much inclined to rove about, and each man is allowed to have half an acre of ground for his garden. The supplies spoken of as furnished the negroes are of the rudest description—pork, meal and molasses—all brought hundreds, nay, thousands of miles, when every one of the laborers could, with a little care, grow enough to feed himself and his family.

But the negro throughout the cotton belt takes little thought for the morrow. He works lazily, although, in some places, pretty steadily. In others he takes a day here and there out of the week in such a manner as to render him almost useless. The planter always feels that the negro is irresponsible and must be taken care of. If he settles on a small tract of land of his own, as so many thousand do now-a-days, he becomes almost a cumberer of the ground, caring for nothing save to get a living, and raising only a bale of cotton or so wherewith to get "supplies." For the rest he can fish and hunt. He doesn't care to become a scientific farmer. Thrift has no charms for him. He has never been educated to care for himself; how should he suddenly leap forth, a new man, into the changed order of things?

Nevertheless, some of the planters along the river near Natchez said, "Give the negro his due. The merchant will ordinarily stand a better chance of collecting all his advance from fifty small black planters than from fifty whites of the same class, when the crop is successful." But if the negro's crop fails, he feels very loth to pay up, although he may have the means. He seems to think the debt has become outlawed. In success he is generally certain to pay his "store account," which is varied, and comprehends a history of his progress during the year. . . .

Some of the elder planters are liberal in their ideas, and would welcome a complete change in the labor system, but they do not believe one possible. One of the best known and influential in the valley told me that he and his neighbors in the magnificent Yazoo country, where the superb fertility of the soil gives encouragement even to the rudest labors, had tried every expedi-

ent to bring new labor into their section, but could not succeed. His laborers were now practically his tenants; but he had to supply them and to watch over them, very much as he did before the war. He was willing to admit that the negro was better adapted to the work than any white man who might come there; but thought the younger generation of negroes was growing up idle and shiftless, fond of whiskey and carousing, and that the race was diminishing in fibre and strength. Those who had been slaves were industrious, and conducted themselves as well as they knew how; but the others, both men and women, seemed to think that liberty meant license, and acted accordingly. They were wasteful, and there was but little chance of making them a frugal and foresighted farming people. Whenever they could secure a little money the ground in front of their cabins would be strewn with sardine boxes and whiskey bottles.

The planters in the lowlands of Arkansas, Mississippi, and Louisiana have been particularly troubled to get and keep serviceable plantation labor; and are now importing large numbers from Alabama. In truth, the hundreds who flock in from the older cotton States were starving at home. On a plantation in Concordia parish, in Louisiana, opposite Natchez, there are many of these Alabama negroes. One planter went into the interior of that State, and engaged a hundred and twenty-five to follow him. They did not succeed in leaving without meeting with remonstrances from the colored politicians, but were glad to flee from an empty cupboard. . . .

In a trip of perhaps ten miles I passed through several once prosperous plantations, and made special inquiries as to their present condition. Upon one where six hundred bales of cotton were annually produced under slave culture, the average annual yield is now but two hundred and fifty; on another the yearly average had fallen from one thousand to three hundred bales; and on two others which together gave the market fifteen hundred bales every year, now barely six hundred are raised. The planters in this section thought that cotton production had fallen off fully two-thirds. The number of negroes at work on each of these plantations was generally much less than before the war. Then a bale to the acre was realized, now about one bale to three acres is the average. Much of this land is "leased" to the negro at the rate of a bale of cotton weighing four hundred and thirty pounds for each six acres. The planters there raise a little corn, but are mainly supplied from the West. The inundation was upon them at the epoch of my visit, and they were in momentary expectation of seeing all their year's hopes destroyed. The infamous robberies, also, to which they had been subjected by the Legislature, and the overwhelming taxation, had left them bitterly discouraged. One plantation which I visited, having sixteen hundred acres of cleared land in it, and standing in one of the most fertile sections of the State, was originally valued at one hundred dollars per acre; now it could not be sold for ten dollars. In Madison parish recently a plantation of six hundred improved acres, which originally cost thirty thousand dollars, was offered to a neighboring planter for *seven hundred dollars*.

The "wages" accorded the negro, when he works on the wages system, amount to fifteen or sixteen dollars monthly. But few ever save any money; and this remark will, I think, apply to the majority of the negroes engaged in agriculture throughout the cotton region of the Mississippi valley. Still there are praiseworthy exceptions to this general rule. Enormous prices are placed upon everything, because of the cost of transportation. The grangers have accomplished some good in the cotton States by buying for cash and selling for cash, the object being to keep supplies as near the wholesale price as possible, and have already become a formidable organization there, having scores of societies, small and large, in Alabama, Georgia, Tennessee, and Mississippi.

While there is no doubt that an active, money-eyed, and earnest immigration would do much toward building up the southern portion of the Mississippi valley, it is evident that so long as the negro remains in his present ignorance, and both he and the planter rely on other States for their sustenance, and on Providence never to send them rainy days, inundations, or caterpillars, the development of the section will be subject to too serious drawbacks to allow of any considerable progress. All the expedients, the tenant systems, and years of accidental success will not take the place of thorough and diversified culture, and intelligent, contented labor resulting from fair wages for fair work. Nothing but the education of the negro up to the point of ambition, foresight, and a desire to acquire a competence lawfully and laboriously, will ever thoroughly develop the Lower Mississippi valley. As the negro is certainly to inhabit it for many years at least, if not forever, how shall he learn the much-needed lesson?

On the other hand, the whites need to be converted to a sense of the dignity of labor, to learn to treat the laboring man with proper consideration, to create in him an intelligent ambition by

giving him education. Something besides an introduction to political liberties and responsibilities is needed to make the negro a moral and worthy citizen. He is struggling slowly and not very surely out of a lax and barbarously immoral condition. The weight of nearly two centuries of slavery is upon his back. He needs more help and counsel. An old master will tell you that he can discover who of his employés has been a slave, "for the slave," he says, "cannot look you in the eye without flinching." . . .

XXXVII: ATLANTA . . .

From the ashes of the great penitential conflagration in which the exigencies of war enveloped Atlanta, from the ruins of the thousand dwellings, factories, workshops, and railroad establishments totally destroyed in the blaze of 1864, has sprung up a new, vigorous, awkwardly alert city, very similar in character to the mammoth groupings of brick and stone in the Northwest. There is but little that is distinctively Southern in Atlanta; it is the antithesis of Savannah. There is nothing that reminds one of the North in the deliciously embowered chief city of Georgia, surounded with its romantic moss-hung oaks, its rich lowlands, and its luxuriant gardens, where the magnolia, the bay, and the palmetto vie with one another in the exquisite inexplicable charm of their voluptuous beauty. Atlanta has an unfinished air; its business and residence streets are scattered along a range of pretty hills; but it is eminently modern and unromantic. The Western and Atlantic railway unites it with Chattanooga, running through a country which was scourged in bitterest fashion by the war; the Georgia railroad connects it with Augusta; the Macon and Western with handsome and thriving Macon; the Atlanta and West Point road to the town of West Point, Alabama, gives a continuous line to Montgomery; and the new Piedmont Air Line, which has opened up the whole of Northern Georgia, gives it new and speedy communication with the North via Charlotte, in North Carolina. Great numbers of Northern people have flocked to Atlanta to live since the time when General Pope's will was law, and when the Bullock administration was just arising out of the chaos of the constitutional convention. The removal of the State capital from Milledgeville to Atlanta also gave the renaissant city a good start, and the wonderful manner in which it drew trade and capital to it from all sides made it the envy of its sister Georgian cities.

A brief review of the progress of politics in the State since Atlanta became its capital will aid in arriving at an understanding of the present social and political condition of the commonwealth.

When the reconstruction policy of the General Government began, a large number of the citizens of Georgia declared for it, and among them was Mr. Bullock, subsequently Governor of the State. In the political campaign which ensued, the opposite faction, which totally repudiated the reconstruction acts, condescended to much proscription and denunciation, and numbers of Union men were driven from the State. It was out of this campaign that the Ku-Klux conspiracy, as manifested in Georgia, is supposed to have grown. Prominent Republicans received lugubrious letters containing pictures of coffins, and acts of violence were not wanting. Native Georgians, who were leading Republican officials, were hunted down and assassinated; Republican meetings were dispersed, not without slaughter; and it was manifest from the outset that there was to be a decided upsetting of the attempt to enforce the policy inaugurated by the war. But the Republican party was organized, and its Legislature, in which there were many negroes, went into session.

The first trouble that occurred was due to a discussion of the question whether or not men who had held office previous to the war, and then had taken part in the rebellion, were eligible for the Legislature. The debate upon this matter was heated and angry, and the final decision was in favor of extreme liberality toward all who had fought on the Confederate side. Many of these were admitted to the State councils, and after a time, getting control of the middle-men, they had the Legislature in their hands. Their first act was to oust all the colored members—some thirty-six—and to proceed on the basis that a white man's government was the only one for Georgia. The expulsion of the negroes was corrected by act of Congress; and in 1869 the colored element was readmitted to the Legislature. After this, Bullock, who was the first Governor chosen under the operation of the reconstruction laws, had full sway for about two years. Some good laws were passed during that time, but the railroad legislation was the occasion of veritable disaster to the progress of reconstruction in Georgia. Bullock was in due time compelled to depart from the State, to save himself from imprisonment; and the Democratic party, completely triumphant, now and then announces its convictions through the medium of Robert Toombs, who has been its leader, and, in some measure, its exponent for many years. It is not long since this gentleman, in a speech made at Atlanta in favor of a convention to revise the constitution, of the State, made use

of the following language: "Why, look at that miserable thing you call a constitution! It commits you to all the lies of the revolution against you. It says your allegiance is first due to the Federal Government before it is due to your own State? Do you believe that? When you can wrench that from the constitution, do it!"

Under the administration of Governor Bullock, a system of internal improvement was inaugurated, theoretically granting State aid to naissant railroads in the proportion in which the companies building those roads aided themselves. But bonds were over-issued, and were negotiated by prominent bankers in New York city. The Brunswick and Albany railroad was the principal project. About $6,000,000 worth of bonds were actually issued during the two years, all of which went to the Brunswick and Albany railroad, with the exception of $600,000 granted to the Cartersville and Van West road. The party now in power has repudiated all the railroad bonds issued under Bullock's *régime*. The New York bankers have not suffered very much by this, but the repudiation will give the credit of the State a severe blow. . . .

The State railroad, running from Atlanta northward to Chattanooga, had been leased under Bullock's administration. The Democrats, who now came into power, charged that the Governor was guilty of gross official misconduct in leasing the road, although it was done in obedience to an act of the Legislature, and they proceeded to prosecute every one who had been connected with the management of it under the Bullock *régime*. They based their charge against the Governor upon the theory that he was personally and pecuniarily interested in the road, . . . This, however, the Governor expressly denies, showing that the road, which, for the twenty years from its building up to 1868, had been an expense to the State, and a fruitful source of political corruption, was made profitable under the lease system. The prosecutions by the Democratic party were characterized by a great deal of acerbity, and in one case the Supreme Court decided that much injustice was inflicted upon a prosecuted party. The Democratic Legislative Committee appointed to investigate the official conduct of the late Governor was in session seven months, and confined its final report mainly to denunciations of the Governor's course . . . They took complete control of the State Government, gloried in the repudiation of the various bonds issued from 1869 to 1871, and maintained that the reconstruction acts of Congress were "unconstitutional, revolutionary, null, and void."

Certainly reconstruction is null and void in Georgia. It has been a complete failure there. That there have been instances of glaring injustice practiced on both sides no fair-minded man can for an instant doubt. The Republican administration lasted scarcely three years; and the legitimate results of the war were not maintained so long as that after 1868. Out of the 90,000 colored voters in the State, scarcely 30,000 vote to-day; free schools are almost unknown outside the large cities and towns; and there has not been a Republican inspector of election since the Democrats assumed power. To judge from the testimony of native Georgians who are Republicans, and who have never been suspected of any dishonesty or untruth, the negroes are very grossly intimidated; and the Ku-Klux faction still exists as a kind of invisible empire. This is naturally to be expected after the occurrences in Louisiana, South Carolina, and Alabama; it is the revulsion from tyrannical ignorance and carpet-baggery; and may prove as baneful in its results as has its degraded and disreputable opposite. The Democrat of Georgia talks with all the more emphasis of a white man's government in his commonwealth, because he feels that there is a black man's government in a neighboring State; if he has ever had any exaggerated fears as to a too free assumption of civil rights by his ex-slave, those fears are accented ten-fold since he has seen the real injustice practiced by negroes where they have attained supreme, unrestricted power. . . .

But few traces of the war are now left in Atlanta. The residence streets have a smart, new air; many fine houses have been recently built, and their Northern architecture and trim gardens afford a pleasant surpise after the tumble-down, unpainted towns of which one sees so many in the South. The banks, the theatres, the public business blocks, the immense Kimball House, all have the same canny air—seem to be boasting of their tidy looks and prosperity to the countrymen who come into town to market. I strolled into the Capitol. In the office of the State Treasurer I encountered some gentlemen who seemed inclined to believe that the State would not suffer if all debts contracted under the Bullock *régime* were repudiated. One said that he could not inform me how much the State debt, as construed by the reconstructionists, was; he reckoned no one knew; the scoundrels who had contracted the debt had run away; if they could lay hands on Bullock they would put him in the penitentiary. I found, everywhere I went in the Capitol, a spirit of extreme bitterness prevailing against the departed carpet-

baggers; and all complained that the State affairs had been left in a wretched condition.

The attempt to establish free common schools throughout Georgia has thus far resulted in failure. Prior to the war there was but little effort made for the education of the masses. A small sum was appropriated as the "indigent school fund," but the majority of the poorer classes in the back-country remained in dense ignorance. In the present State School Commissioner's office I was informed that there had been no common school open outside the large cities for some time. It was alleged that the school fund had been diverted to unlawful purposes during the "previous administration," and that the State had been much embarrassed by a debt of $300,000, incurred in prematurely putting schools into operation. There seems no doubt of a sincere desire on the part of the Georgia Conservatives to maintain free schools; and it is, by the way, noteworthy that three of the Southern States that are Conservative in politics are leading all the others in education. Local taxation is the principal bugbear. The farmer dislikes to be taxed for schools; he still has various absurd prejudices; thinks the common school a pauper institution, and gets angry if there is any talk of compulsory education. The school population of the State is about 370,000, and the annual school revenue, derived from interest on bonds, from the poll tax, from taxes on shows, and from dividends on railroad stock, amounts to $280,000. This is, of course, ridiculously small, and, now that Georgia has arrived once more at some degree of material prosperity, will, doubtless, be increased, and amends will be made for the shameful negligence which allowed the whole school machinery to stop and rust for a year. A praiseworthy but fruitless effort has recently been made in the Legislature to follow in the steps of Tennessee, by favoring local taxation, a limit to the amount of which is to be fixed, to guard against the creation of excessive taxes by negro votes; and the Peabody fund is employed in aiding the proselyters who preach the cause of common school education in the back counties. The illiteracy in Georgia previous to 1860 was alarming; the most moderate estimates showed that eighteen per cent. of the adult native white population could not even read; and, in 1860, when the State had a scholastic population of 236,454, only 94,687 attended school. Prejudice is strong, but the free school will establish itself in Georgia, as everywhere South, in due time. I think that the mass of Georgians respect an educated negro, but are determined to make him do the work of educating himself. The negro needs a good general education, mainly because it will strengthen his character, and make him more independent. He is at present very easily intimidated with regard to his voting, and readily falls into corrupt practices in election time, because he does not consider the evil effects of such a course.

The manufactures of Atlanta are not extensive; there are some large rolling-mills, and a good deal of iron is brought down from the country to the northward, and worked over there. Of course there is a large cotton movement through the town; and, in the late autumn, a journey along the railroad to Chattanooga discloses hundreds of teams toiling over the rough roads, bringing goodly stores of cotton bales to the stations. Journalism in Atlanta is vivacious and enterprising, and the *New Era* and the *Herald* are newspapers of metropolitan dimensions. . . .

THE UNITED STATES AND THE WORLD

EUROPEAN INTERVENTION AND THE CIVIL WAR

THE AMERICAN CIVIL WAR curtailed Europe's supply of cotton. Though that did not trouble English manufacturers until the war was half over, and though profits in blockade-running and the manufacture of small arms helped retrieve the loss for England, the federal blockade of Southern ports did interfere with European commerce. Economic pressure for intervention was reinforced by the desire to lessen the threat that a powerful democracy posed to a Europe which had not forgotten the revolutionary movements of 1848.

For Napoleon III, that motive was particularly strong: his throne had become increasingly shaky and it was doubtful whether it could survive the effects of many more winters like that of 1861–62, when a short harvest accentuated the misery of widespread unemployment in France. The French Imperialist press clamored for mediation, accordingly, and the Confederate envoy, John Slidell (1793–1871) found his mission pleasanter than that of his colleague in England. Slidell, who had been rescued from his Union captors as a result of British protest, reached France in the early part of 1862; there he helped build the Confederate fleet and negotiated a loan for his government. He finally gained an audience with Napoleon in July. Slidell's reports of this interview and a later one illuminate the problems forced upon the Union's diplomacy in the first black years of the Civil War. The reports were brought to the American consul-general at Paris, John Bigelow (1817–1911), a free-soil Democrat, writer, and humanitarian. Bigelow's European friendships made him a particularly effective counterespionage and propaganda agent for the Union. He encouraged a favorable Continental press, maintained a private spy service, watched Confederate agents in France, and, according to his version, prevented French intervention on the Confederates' behalf.

In November, 1862, when Slidell and his charming wife were in particular favor with the Empress, Napoleon addressed England and Russia in identic notes suggesting joint intervention for the purpose of winning a six months' armistice in the American war. During that armistice, the Union would suspend its blockade and the warring sections proceed to negotiations.

England repulsed Napoleon's overtures, thus repairing, at French expense, some of the breaks in the fabric of Anglo-American relations, and Napoleon decided against pushing the proposal on his own account. He continued to support the pro-Confederate party in Britain, however, and the report of an audience with him makes up a large part of J. A. Roebuck's speech of June 30, 1863. In this speech, the member from Sheffield urges England to recognize the Confederacy and so forestall France in the struggle for a new power's favor. The war was not being fought to end slavery, but to preserve the Union, a cause opposed to England's national interest, Roebuck argued. Maintenance of the unity of the United States would not improve the Negro's position, since the blacks were cordially hated in the North. Failure to recognize the independence of the Confederacy was bringing misery to Lanca-

shire's operatives with no compensating benefit to the nation.

The government defeated Roebuck's motion in the debate which followed. Gettysburg and Vicksburg, together with shipments of cotton from recaptured New Orleans, made the Union cause appear a better risk. Thereafter, no English party made recognition of the Confederacy a point in its policy and Napoleon's pro-Confederate attitude was tempered by the necessities of his Mexican adventure.

The Slidell reports are printed in John Bigelow's *Retrospections of an Active Life* (5 vols., New York, 1909) and are reprinted here by permission of Doubleday and Company, Inc. Roebuck's speech is reprinted from *Hansard's Parliamentary Debates*, Series 3, v. clxxi, 3d vol. of session (London, 1864).

Slidell's First Audience with Napoleon

SLIDELL TO J. P. BENJAMIN

Paris, 25th July, 1862.

Sir:

. . . On Thursday, the 10th inst., we received the first intelligence of the battles of the 26 and 27 of June and the "strategical movements" of McClellan across the Chickahominy and towards James River. On the strength of these news and of your despatch No. 3 (which with numbers 1, 2 and 4 had been delivered by Mr. de Leon), I was about to call on Count de Persigny, when I received a message from that gentleman, who had recently returned after an absence of some weeks in England, saying that he desired to see me. I of course lost no time in complying with his request. I communicated to him confidentially the substance of my new instructions and he advised me to proceed to Vichy where the Emperor would be on Saturday, but he thought would be much occupied for a day or two in receiving the authorities, etc. The Count gave me a very warm letter to General Fleury, who is a great favorite of the Emperor and constantly accompanies him, urging him to procure an audience for me. I went accordingly to Vichy on Tuesday, arriving there in the evening. The next morning I sent a note to General Fleury enclosing that of M. de Persigny soliciting his good offices to procure me "*une audience officieuse*" with the Emperor. I very soon received a reply saying that the Emperor would receive me at 2 o'clock.

You will find herewith full details of my interview marked No. 1. . . .

No. 1

On Wednesday morning, 16th July, at 9 o'clock, I enclosed to General Fleury, Aide de camp and Premier Écuyer of the Emperor, a letter from Count de Persigny, and asked him to procure me the honor of an official audience with the Emperor. Before 12 o'clock I received from M. Fleury a note stating that the Emperor would receive me at 2 o'clock. The Emperor received me with great kindness and after saying that he was very happy to see me and regretted that circumstances had prevented his sooner doing so, invited me to be seated. He commenced the conversation by referring to the news contained in the evening papers of the previous day of the defeat of the Federal armies before Richmond, which appeared to give him much satisfaction. He spoke of Lincoln's call for three hundred thousand additional troops as evidence of his conviction of the desperate character of the struggle in which he had been engaged and of the great losses which the Federal forces had sustained. That although it was unquestionably for the interest of France, that the United States should be a powerful and united people to act as a "contrepoids" to the maritime power of England, yet his sympathies had always been with the South, whose people are struggling for the principle of self-government, of which he was a firm and consistent advocate, that he had from the first seen the true character of the contest and considered the re-establishment of the Union impossible and final separation a mere question of time. That the difficulty was to find the way to give effect to his sympathies, that he had always desired to preserve the most friendly relations with England and that in so grave a matter he had not been willing to act without her co-operation, that he had several times intimated his wish for action in our behalf, but had met with no favorable response, and that besides, England had a deeper interest in the question than France; that she wished him "to draw the chestnuts from the fire for her benefit." He asked me to give my views of the state of affairs and of what could be done to bring the war to a close. The conversation had thus far been in French with occasional remarks

from me; but as I knew that the Emperor spoke English well and fluently and was said not to dislike having an opportunity to converse in our language I said that if it would not be disagreeable to him, I would prefer speaking English, as I could better express myself in my own tongue. He assented and during the remainder of the interview the conversation was in English. He enquired the amount of our army. I estimated the number of men now under arms at about 350,000, although at certain previous periods, before we had abandoned the impossible idea of defending all the points of our immense coast and frontier, the number had probably been nearer 500,000; but since we had adopted the policy of concentrating our forces, 350,000 men were, I thought, as many as we could advantageously employ. That our difficulty was not to find men, of them we had and always would have more than enough, but that what we wanted were arms, powder and clothing. I explained the composition and character of our army, that with us every man was a soldier, that very many of the élite of our country were serving in the ranks; spoke of the devotion and enthusiasm of our women; that our men were badly clothed and fed, most of them with inferior arms and all insufficiently and irregularly paid, but submitted patiently to all the privations. That on the contrary our enemies were admirably equipped and armed, as a general rule profusely fed, having many luxuries in abundance, such as tea and coffee of which our troops were entirely deprived; but that the very large majority were mercenaries, who served for pay and food, not being able to find employment and wages. The Emperor expressed his great surprise at our troops not having coffee, which he said was considered essential to the health of the soldiers. That probably one half of the privates were foreigners, principally Germans and Irish, while our troops were almost exclusively born on our soil. That this difference made them much more than a match for their enemies when they met with equal numbers, but that this advantage was more than compensated by the greater moral value of those whom we lost, carrying mourning into every Southern family, while no interest was felt at the North for the mercenaries who were fighting their battles, so long as they could supply their places by new levies. . . .

This gave me an opportunity of saying about Mexican affairs substantially that as the Lincoln Government was the ally and protector of his enemy Juarez, we could have no objection to make common cause with him against the common enemy.

I asked him if he had seen Count de Persigny since his return from England, or if the Count (to whom I had confidentially communicated the substance of your despatch No. 3) had written to him about our affairs. He said that he had neither seen nor heard from the Count. I then stated to the Emperor what I had been instructed to propose. It did not seem disagreeable. He said, how am I to get the cotton? I replied, that of course depends on your Majesty; he will soon have a fleet in the neighborhood of our coast, strong enough to keep it clear of every Federal cruiser. . . .

I gave him in a few words a description of the American marine; some second class steamers constructed for war purposes and a large number of merchant vessels hastily purchased and fitted up for the blockade and transport service. I said that the *Gloire*, the *Garonne* or the *Normandie* could pass the fortifications of New York and Boston and hold those towns at their mercy, or could enter the Chesapeake, destroy all the vessels there and Fortress Monroe by bombardment.

He agreed with me in this. I expressed my regret at having heard that some of his first class steamers were armed *en flute* and asked if this armament could not be completed at Martinique and Guadeloupe, and suggested that if not, guns could be sent there for the purpose. He appeared to be pleased with the suggestion. . . .

He then spoke of recognition, saying that simple recognition would be of no value, and as to mediation that would be refused by the North. I replied that as to mediation, I agreed with him, that if offered, it would be refused by the North but would be accepted by us, but that such refusal and acceptance would be of vast advantage to our cause and enlist the sympathies of the civilized world in our favor and afford sufficient reason for more potent intervention. But we did not ask for mediation, all we asked for was recognition, that there was a large majority in the Northern States in favor of peace and separation, but that a reign of terror existed which for the present stifled all expression of such opinions, that the Congressional elections were approaching and that recognition would give the peace party courage to organize and perhaps place them in the majority. He said that he was pleased to see that there had been a great peace meeting in New York. I said that recognition would at once bring out many similar demonstrations. I then said that although we did not place ourselves on that ground, the interests of humanity might be urged as calling on Europe and especially on him who exercised so potent an influence over the destinies of the world to put

an end to the strife, which was not only devastating the South and exhausting the North but paralyzed the industry and commerce of Europe. He replied, what you say is true, but the policy of nations is controlled by their interests and not by their sentiments, and ought to be so. I replied, that I fully admitted his proposition, but that the interests to be consulted should not be those of the hour, that England seemed to have abdicated the great part which she had been accustomed to play in the affairs of the world, and adopted a tortuous, selfish and time serving policy, which had only served to make all nations either her bitter enemies or at least fair weather friends. That we, at first, had been well disposed towards England, but that having for selfish ulterior purposes, to revive for her advantage the old exploded principles of a blockade, and to secure the monopoly of cotton for her Indian colonies, given a false interpretation to the Treaty of Paris, we should never hereafter consider her our friend. The Emperor remarked, I have already told you what I thought of the blockade, and as to the culture of cotton in India supplanting yours, I consider the idea entirely chimerical. If you do not give it to us we can not find it elsewhere. I then said, your Majesty has now an opportunity of securing a faithful ally, bound to you not only by the ties of gratitude, but by those more reliable of a common interest and congenial habits. He said, yes, you have many families of French descent in Louisiana who yet preserve their habits and language. I replied that he was right, and that I could give him an instance in my own family where French was habitually spoken. He asked me whether we anticipated no difficulty from our slaves. I replied that they had never been more quiet and more respectful and that no better evidence could be given of their being contented and happy. This was the only allusion made to slavery during the interview.

The Emperor asked me if I expected that England would agree to co-operate with him in our recognition. I replied that he of course must have much better means of information than I, but that our friends in England were more hopeful than they ever had been before, and that our Commissioner at London, for the first time since his arrival, wrote encouragingly. That the motion of Mr. Lindsay recommending recognition would be brought up on Friday, and that probably the debate would bring out Lord Palmerston with a declaration of his purposes. He asked how Cobden was disposed. I said that he was unfriendly to us, but not so much so as Bright. That it was conceded on all hands that an immense majority of the House of Commons was in our favor, but that Lord Derby was not prepared to take office, and nothing would be done that would cause Lord Palmerston to resign.

While I was advocating recognition, the Emperor, with a very significant smile, said, it is very singular that while you ask absolute recognition, Mr. Dayton is calling upon me to retract my qualified recognition of you as belligerents. I replied, that such a demand was but another evidence of the insolence of the Washington Government.

The Emperor asked me, if France and England intervene, on what terms can a peace be made? The question of boundaries is a most difficult one, what will you do with the border States? You will not be willing to accept what the North, even if she submits to separation, will accord. I replied that the question appeared indeed to be difficult but it seemed to be susceptible of an easy solution and one which we would willingly receive. In all the States where the people had in full conventions voted for separation, there could be no difficulty, that in Kentucky, Missouri and Maryland, the question whether they would join our confederacy, form a separate one for themselves or remain with the United States should be submitted to the popular vote and that I had no fear of the result, that such had been the Emperor's policy in Italy and the whole world approved of it. That the Chesapeake, Potomac and Ohio were natural and indispensable boundaries which could not be relinquished. He regretted he had no map at Vichy that we might trace the line.

I should have mentioned that when speaking of the cotton subsidy, I told the Emperor that the proposition was made exclusively to France, my colleague at London not being aware of my authority to make it. . . .

I said to the Emperor that in deciding upon the course he was to pursue, he might assume two fixed points of departure. *First*, that reconstruction on any terms was impossible. *Second*, that without European intervention in some form or other, peace was impossible within any reasonable period; that a peace must be preceded by an armistice, with our ports open to the commerce of the world.

I omitted to mention that in speaking of Mexican affairs, I said that Mr. Lincoln had sent to the Senate the treaty negotiated by Mr. Corwin, that this was in fact a subsidy of eleven millions of dollars to enable Juarez to carry on the war against France; he replied, but the Senate will not ratify it; of this, I said, I had no means to form an opinion, but at any rate it was clear that the Presi-

dent approved of its principle and the Executive virtually controlled the Foreign relations. I said that I had heard from what seemed to be good authority, although I did not pretend to vouch for the truth of the Report, that Schufeldt, U.S. Consul General at Havana, had gone to Mexico and placed at the disposition of Juarez two millions of dollars, being the cash installment stipulated by the Treaty, and if this were so, the Mexican army was now waging war against France with means furnished by the Federal treasury. I also alluded to the presence of the Orléans Princes in the Federal armies as evidence at least that Lincoln was not particularly desirous to avoid giving just cause of offense to France, and mentioned that the son of the Prince de Joinville was now serving as a midshipman on board of a Federal man-of-war, a fact of which he had been previously ignorant.

I suggested that without violating neutrality we might be allowed to communicate with our government by French ships of war visiting our ports; that such communication was called for even by French interests; that it was important that Southern newspapers should be freely received to neutralize the false statements of the Northern Press. The Emperor replied that such a request seemed reasonable and that he would consider it.

Finding that the Interview had been sufficiently prolonged, I rose to take leave, saying that I had already too much abused his indulgence; that I had perhaps omitted to present some arguments which if not new to him, were from a different point of view, but that I had prepared a formal demand of recognition in which they were embodied, and that I intended to present them to M. Thouvenel, as soon as he should return from England, where he then was, and I would feel much obliged, if he saw any reason to object to the course I proposed, that he would intimate his wish. He said that he saw no objection to my presenting my demand, *he of course said nothing to compromit himself as to the answer that would be given*. At parting he said that he hoped in future there would be less difficulty in my seeing him than had heretofore existed.

On the whole my interview was most satisfactory. I had been led to expect from what I had heard of his habitual manner that he would be extremely reserved, confining himself to asking questions, or intimating on what points he wished me to speak, with occasional brief observations on his part; on the contrary he was frank, unreserved, I might perhaps say cordial; placing me entirely at my ease by the freedom with which he spoke himself. Although *he said nothing to commit himself as to his future course* I left him with the decided impression that if England long persevered in obstinate inaction he would take the responsibility of moving by himself. . . .

Slidell's Second Audience with Napoleon

SLIDELL TO J. P. BENJAMIN

MEMORANDUM OF AN INTERVIEW WITH THE EMPEROR AT THE TUILERIES, THURSDAY, 18TH JUNE, 1863

ON WEDNESDAY I received from the Duke de Bassano, First Chamberlain, a note informing me that the Emperor would receive me at the Tuileries on the following day at ten o'clock. The Emperor received me with great cordiality. He said that he had read the memorandum presented to him by the Count de Persigny (copy of which accompanied my despatch No. 37); that he was more fully convinced than ever of the propriety of the general recognition by European powers of the Confederate States, but that the commerce of France and the success of the Mexican expedition would be jeopardized by a rupture with the United States; that no other power than England possessed a sufficient Navy to give him efficient aid in a war on the ocean, an event which indeed could not be anticipated, if England would cooperate with him in recognition.

I replied that I was well satisfied that recognition by France and any other continental powers, or even by France alone, would not lead to a war with the United States, as they already found ample occupation for all their energies at home; that he could count on the coöperation of Spain, Austria, Prussia, Belgium, Holland, Sweden and Denmark. He remarked that none of those powers possessed a Navy of any consequence. I suggested that Spain had a very respectable Navy and was daily increasing it. I adverted to the instructions in your despatch No. 16, of the 9th May, and said that I was authorized to give the adhesion of my government to the tripartite treaty for the guarantee of Cuba to Spain; that I thought it was probable that such an adhesion might induce Spain, if assured in advance of the concurrence of France, to take the initiative of our recognition. Would the Emperor be willing to give such an assurance? He said that he would. I asked, will the Emperor authorize me to say so to the Spanish Ambassador, M. Isturitz, to whom I had already communicated the substance of my instructions. He replied that

he was willing that I should do so. I then spoke to the Emperor of a letter from Mr. Roebuck, of which I asked his permission to read some extracts. He assented. I asked him if I might be permitted to deny on his authority the correctness of the rumor of which Mr. Seymour Fitzgerald had spoken to Mr. Roebuck. He said that I might give it an unqualified denial.

I then inquired if it would be agreeable to him to see Messrs. Roebuck and Lindsay, and if I might so inform them. He said that he would be pleased to converse with them on the subject of Mr. Roebuck's motion, and that I might write to that effect. He, however, after a little reflection added: "I think that I can do something better: make a direct proposition to England for joint recognition. This will effectually prevent Lord Palmerston from misrepresenting my position and wishes on the American question." He said, "I shall bring the question before the Cabinet Meeting to-day, and if it should be decided not to make the proposition now, I will let you know in a day or two through M. Mocquard what to say to Mr. Roebuck."

I then said, "It may perhaps be an indiscretion to ask whether your Majesty prefers to see the Whigs or Tories in power in England," and he said, "I rather prefer the Whigs." I remarked that Lord Malmesbury would under a conservative administration probably be the Secretary for Foreign Affairs, and that I had always understood that intimate relations existed between the Emperor and him. He said, "That is true; personally we are excellent friends, but personal relations have very little influence in great affairs where party interests are involved." He playfully remarked, "The Tories are very good friends of mine when in a minority, but their tone changes very much when they get into power."

He then spoke of the different spirit in which the news of the fall of Puebla had been received North and South: that the Northern papers showed their disappointment and hostility, while Richmond had been illuminated on the occasion. This is reported by the newspapers. I, of course, did not express any doubt of the fact, although I considered it somewhat apocryphal. I said that there could be no doubt of the bitterness of the Northern people at the success of his arms in Mexico, while all our sympathies were with France, and urged the importance of securing the lasting gratitude and attachment of a people already so well disposed; that there could be no doubt that our Confederacy was to be the strongest power of the American Continent, and that our alliance was worth cultivating. He said that he was quite convinced of the fact and spoke with great admiration of the bravery of our troops, the skill of our generals and the devotion of our people. He expressed his great regret at the death of Stonewall Jackson, whom he considered as one of the most remarkable men of the age.

I expressed my thanks to him for his sanction of the contract made for the building of four ships of war at Bordeaux and Nantes. I then informed him that we were prepared to build several ironclad ships of war and that I only required his verbal assurance that they should be allowed to proceed to sea under the Confederate flag to enter into contracts for that purpose. He said that we might build the ships, but it would be necessary that their destination should be concealed. I replied that the permission to build, equip and proceed to sea would be no violation of neutrality, and invoked the precedent of a ship built for the Chilian government under the circumstances mentioned in my despatch No. 32, of 20th April. The Emperor remarked that there was a distinction to be drawn between that case and what I desired to do. Chili was a government recognized by France.

Roebuck's Audience with Napoleon

. . . But the South never will come into the Union, and—what is more—I hope it never may. I will tell you why I say so. America, while she was one, ran a race of prosperity unparalleled in the world. Eighty years made the Republic such a Power, that if she had continued as she was a few years longer, she would have been the great bully of the world. Why, Sir, she

"——bestrode the narrow world,
Like a Colossus; and we petty men
Walked under her huge legs, and peeped about
To find ourselves dishonourable graves."

As far as my influence goes, I am determined to do all I can to prevent the re-construction of the Union, and I hope that the balance of Power on the American continent will, in future, prevent any one State from tyrannizing over the world as the Republic did. Could anything be more insulting than her conduct towards us? Yet we who turned upon Greece—we who bullied Brazil—we crawled upon our bellies to the United States. They could not treat us contemptuously enough to raise our ire; but at last, when the seccession took place, we plucked up courage, and resented

the outrage upon the *Trent*. I say, then, that the Southern States have vindicated their right to recognition. They hold out to us advantages such as the world has never seen before. I hold, besides, that it would be of the greatest importance that the re-construction of the Union should not take place. Then comes the question—has the time arrived for recognition? I want hon. Gentlemen to tell me why the time has not arrived. At the present moment, a large portion of our population are suffering in consequence of the cotton famine. That is one reason why the time has come for the recognition of the South. Next, I say the time has come, because the Southern States have vindicated their right to be recognised. Moreover, they offer to us a boon such as the world has never known, but they are being driven to be a manufacturing people. They are making their own guns; and if you keep them much longer in their present condition, they will produce their own cotton and woollen goods. Thus interests will grow up which they will be obliged to protect, and we shall have the protective system introduced into the Southern States of America. That is a matter deserving of attention—a matter which any statesman, if I could see one, would take into his consideration. Such is the state of things at the present moment. The South offers to us perfect free trade; but if we allow this contest to go on—if we cower, as we have done hitherto, before the North, the Southerners will soon become a manufacturing population, and the boon will be withdrawn from us. But, if they ought to be recognised, and if the time has come, is the mode I propose a right one? The mode I propose is, that this House should pray the Queen to enter into communication with the great Powers of Europe with a view to the recognition of the South. Now, the great Powers of Europe really mean France. No other Power, with the exception of Russia, has a fleet that we need think about; and we know that Russia is not at present in a position to do anything. France is the only Power we have to consider; and France and England acknowledging the South, there would be an end of the war. Here I am obliged to enter into a sort of personal history. I hope the House will excuse me for doing so. What I am going to say is, that I know certain things about the state of the mind of the great French ruler which I am authorized, that is, I am permitted to lay before this House. I was met in the lobby outside some days since by an hon. and learned Friend of mine, who said to me, "You propose that the House should address the Queen, to ask her to enter into a negotiation with the great Powers of Europe. Now, I have heard to-day, on very good authority, that the mind of the French ruler has changed; and if Lord Palmerston can come down to the House and say so, what becomes of your Motion for the recognition of the South?" I acknowledged to my hon. and learned Friend the force of his statement, though, like the Scotchman about the fish, I doubted the fact; therefore I wrote to my hon. Friend the Member for Sunderland, knowing that he had obtained authority to write to the French Emperor whenever he wanted to see him, and I said to him in effect, "Suppose, for the purpose of ascertaining whether this rumour be true, we go across and ask at once for an audience." For, Sir, I know the Treasury bench right well. I know they are wonderfully expert at circulating rumours; indeed, when they have an object in view, there is hardly any rumour they will not circulate. My letter to the hon. Member for Sunderland got to Paris, and subsequently we had the audience asked for. I am now going to make a statement which the Under Secretary for Foreign Affairs may think somewhat surprising, but it is true for all that. The Emperor of the French said, and he gave me authority to repeat it here, "As soon as I learnt that that rumour was circulating in England, I gave instructions to my Ambassador to deny the truth of it. Nay more, I instructed him to say that my feeling was not, indeed, exactly the same as it was, because it was stronger than ever in favour of recognising the South. I told him also to lay before the British Government my understanding and my wishes on this question, and to ask them again whether they would be willing to join me in that recognition." Now, Sir, there is no mistake about this matter. I pledge my veracity that the Emperor of the French told me that. He told me that instructions had been sent to Baron Gros. And to tell me that the British Government does not know that that has occurred must mean some evasion, some diplomatic evasion. It cannot be the truth. And if there be contradiction between the witnesses, I pledge my veracity for what I state. I do not believe the world will doubt my word, and I pledge my word that that is the truth as far as I am concerned. And—what is more—I laid before His Majesty two courses of conduct. I said, "Your Majesty may make a formal application to England." He stopped me and said, "No; I can't do that, and I will tell you why. Some months ago I did make a formal application to England. England sent my despatch to America. That despatch getting into Mr. Seward's hands, was shown to my Ambassador at Washington. It came back to me; and I felt that I was ill-treated

by such conduct. I won't," he added—"I can't subject myself again to the danger of similar treatment. But I will do every thing short of it. I give you full liberty to state to the English House of Commons this my wish, and to say to them that I have determined in all things"—and I will quote his words—"I have determined in all things to act with England; and more particularly I have determined to act with her as regards America." Well, Sir, with this before us, can the Government be ignorant of this fact? I do not believe it. With this before them, are they not prepared to act in concert with France? Are they afraid of war? War with whom? With the Northern States of America? Why, in ten days, Sir, we should sweep from the sea their every ship. ["Oh, oh!"] Yes, there are people so imbued with Northern feeling as to be indignant at that assertion. But the truth is known. Why, the *Warrior* would destroy their whole fleet. . . .

NAPOLEON AND MEXICO

In 1862, James Monroe's fears turned into fact: a military expedition representing France, Spain, and England landed at Vera Cruz and, as a result, a "European system" was established in this hemisphere.

Behind that action lay years of discord in Mexico, where reactionary elements had hoped to retrieve the humiliation of defeat in the war with the United States by securing European support for a Mexican monarchy. By 1858, the reactionaries held power at Mexico City and civil conflict raged through the country. The United States recognized the government of President Juarez the following year and our minister negotiated a treaty giving Mexico a loan of $4,000,000 in return for right of way across the Isthmus of Tehuantepec and a general police power over the country. Though the United States Senate refused to ratify it, the treaty provoked considerable uneasiness in Europe, especially among those French investors who had become increasingly involved in defaulted Mexican bonds.

Juarez then proceeded to repudiate a good part of the Mexican debt on grounds of fraud. In reprisal, the Powers agreed on joint intervention to protect the interests of their nationals. When England, France, and Spain invited the United States to become a party to the London Convention of 1861, the invitation was declined. Intervention proceeded, none the less, but the Powers quarreled soon after their first military success and Spain and Britain withdrew in April, 1862.

Thereafter, intervention in Mexico was a Napoleonic adventure. Attempts to reach an agreement with Juarez were thwarted by the summoning of a reactionary Assembly of Notables, which declared for a monarchy and offered the Mexican throne to Archduke Maximilian, brother of the Austrian Emperor. Mexico's new sovereign arrived in May, 1864, a month after the signing of the Convention of Miramon. This agreement bound Mexico to pay the cost of the French intervention and to assign French creditors a large share of the proceeds of a new loan. Maximilian was crowned Emperor, and Juarez continued fighting in the mountains.

The United States did not recognize the new monarchy. It temporized for a few months; and then, with the Union victorious and Grant now in command of almost a million troops, Seward addressed to the French minister a note which veiled a real threat behind its polite observations on the form of government suitable to a New World people. Yet, even at this point, the American Secretary of State did not invoke the Monroe Doctrine.

Though none of Seward's notes on the French intervention referred to the statement of President Monroe, the failure of Napoleon III vindicated the Monroe Doctrine as a principle of American foreign policy. Seward had begun by attempting to block the 1862 intervention with an offer to have the United States pay 3 percent interest on the Mexican foreign debt for the next five years—in return for a lien on public lands and mineral rights in Lower California, Chihuahua, Sonora, and

Sinaloa. When the European powers declined and proceeded to send their troops, Seward issued a circular letter declaring that the United States was concerned lest foreign intervention impair the right of the Mexican people to choose their own form of government. Less publicly, Seward backed Minister Corwin's project for a $9,000,000 loan to Juarez; but the Senate rejected the treaty.

American public opinion, guided by Romero, Juarez's minister in Washington, grew increasingly hostile to French intervention. By 1864, H. Winter Davis, the Maryland Radical Republican, was embarrassing the administration by offering a resolution opposing the monarchy in Mexico. Chase and Frémont denounced Napoleon and appealed to the Monroe Doctrine. Finally, in 1864, the Republican platform of that year put the administration on record: it was opposed to Maximilian.

By 1865, Union victory seemed certain enough to make such pronouncements more than empty threats, and Seward's notes took a sharper tone. In August, he protested the French encouragement given the California adventurer, William Gwin, who planned to raise a Confederate legion to fight for Maximilian against Juarez. A reply hinting that France would be willing to withdraw its army if the United States would recognize the Mexican monarchy—and if Mexico would guarantee payment of her debt—evoked Seward's letter of November, 1865. The French intervention had been wrong from its inception, Seward declared, and as the United States was maintaining diplomatic relations with the government freely chosen by the Mexican people, it had no need to recognize Maximilian.

Seward continued the war of nerves: he appointed General Logan minister to Juarez and sent General Schofield on an indefinite "mission" to Paris. Napoleon was cracking under the strain: he indicated his willingness to withdraw French troops, but once again asked for recognition for Maximilian. In his reply, Seward repeated the assertion that Maximilian had not been the free choice of the Mexican people and that withdrawal of French troops did not commit the United States to any alteration in its policy of neutrality in Mexican civil conflicts.

The month of April, 1866, marks Napoleon's recognition of defeat, for it was then that the time of French evacuation was fixed. Presumably, Maximilian was given ample opportunity to consolidate his position, but this desperate stratagem failed. With French troops withdrawn, the reactionary forces behind the throne were unable to suppress the Juarez guerillas, and Maximilian was captured and executed in June, 1867.

Seward's note is reprinted from *House Executive Document* No. 1, Pt. 3, 39th Congress, 1st Session (Washington, 1866).

Diplomatic Correspondence

BY WILLIAM H. SEWARD

MR. SEWARD TO THE MARQUIS DE MONTHOLON

DEPARTMENT OF STATE,
Washington, February 12, 1866

SIR: On the 6th of December I had the honor to submit to you in writing, for the information of the Emperor, a communication upon the subject of affairs in Mexico, as affected by the presence of French armed forces in that country. On the 29th of January thereafter you favored me with a reply to that communication, which reply had been transmitted to you by Mr. Drouyn de Lhuys, under the date of the 9th of the same month. I have submitted it to the President of the United States. It is now made my duty to revert to the interesting question which has thus been brought under discussion.

In the first place I take notice of the points which are made by Mr. Drouyn de Lhuys.

He declares that the French expedition into Mexico had in it nothing hostile to the institutions of the New World, and still less of anything hostile to the United States. As proofs of this friendly statement, he refers to the aid in blood and treas-

ure which France contributed in our revolutionary war to the cause of our national independence; to the preliminary proposition that France made to us that we should join her in her expedition to Mexico; and, finally, to the neutrality which France has practiced in the painful civil war through which we have just successfully passed. It gives me pleasure to acknowledge that the assurances thus given on the present occasion that the French expedition, in its original design, had no political objects or motives, harmonize entirely with expressions which abound in the earlier correspondence of the minister of foreign affairs, which arose out of the war between France and Mexico.

We accept with especial pleasure the reminiscences of our traditional friendship.

Mr. Drouyn de Lhuys next assures us that the French government is disposed to hasten, as much as possible, the recall of its troops from Mexico. We hail the announcement as being a virtual promise of relief to this government from the apprehensions and anxieties which were the burden of that communication of mine, which Mr. Drouyn de Lhuys has had under consideration.

Mr. Drouyn de Lhuys proceeds to declare that the only aim of France, in pursuing her enterprise in Mexico, has been to follow up the satisfaction to which she had a right after having resorted to coercive measures, when measures of every other form had been exhausted. Mr. Drouyn de Lhuys says that it is known how many and legitimate were the claims of French subjects which caused the resort to arms. He then reminds us how, on a former occasion, the United States had waged war on Mexico. On this point it seems equally necessary and proper to say, that the war thus referred to was not made nor sought by the United States, but was accepted by them under provocations of a very grave character. The transaction is past, and the necessity and justice of the proceedings of the United States are questions which now rest only within the province of history. France, I think, will acknowledge, that neither in the beginning of our Mexican war nor in its prosecution, nor in the terms on which we retired from that successful contest, did the United States assume any position inconsistent with the principles which are now maintained by us in regard to the French expedition in Mexico.

We are, as we have been, in relations of amity and friendship equally with France and with Mexico, and therefore we cannot, consistently with those relations, constitute ourselves a judge of the original merits of the war which is waged between them. We can speak concerning that war only so far as we are affected by its bearing upon ourselves and upon republican and American institutions on this continent.

Mr. Drouyn de Lhuys declares that the French army, in entering Mexico, did not carry monarchical traditions in the folds of its flag. In this connexion he refers to the fact that there were at the time of the expedition a number of influential men in Mexico who despaired of obtaining order out of the conditions of the republican rule then existing there, and who, therefore, cherished the idea of falling back upon monarchy. In this connexion, we are further reminded that one of the later presidents of Mexico offered to use his power for the re-establishment of royalty. We are further informed that at the time of the French invasion the persons before referred to deemed the moment to have arrived for making an appeal to the people of Mexico in favor of monarchy. Mr. Drouyn de Lhuys remarks that the French government did not deem it a duty to discourage that supreme effort of a powerful party, which had its origin long anterior to the French expedition.

Mr. Drouyn de Lhuys observes that the Emperor, faithful to maxims of public right, which he holds in common with the United States, declared on that occasion that the question of change of institutions rested solely on the suffrages of the Mexican people. In support of this statement, Mr. Drouyn de Lhuys gives us a copy of a letter which the Emperor addressed to the commander-in-chief of the French expedition, on the capture of Puebla, which letter contained the following words: "Our object, you know, is not to impose on the Mexicans a government against their will, nor to make our success aid the triumph of any party whatsoever. I desire that Mexico may rise to a new life, and that soon, regenerated by a government founded on the national will, on principles of order and of progress, and of respect for the law of nations, she may acknowledge by her friendly relations that she owes to France her repose and her prosperity."

Mr. Drouyn de Lhuys pursues his argument by saying that the Mexican people have spoken; that the Emperor Maximilian has been called by the voice of the country; that his government has appeared to the Emperor of the French to be of a nature adequate to restore peace to the nation, and, on its part, peace to international relations, and that he has therefore given it his support. Mr. Drouyn de Lhuys thereupon presents the following as a true statement of the present case: France went to Mexico to exercise the right of war, which is exercised by the United States, and not in virtue

of any purpose of intervention, concerning which she recognizes the same doctrine with the United States. France went there not to bring about a monarchical proselytism, but to obtain reparations and guarantees which she ought to claim; and, being there, she now sustains the government which is founded on the consent of the people, because she expects from that government the just satisfaction of her wrongs, as well as the securities indispensable to the future. As she does not seek the satisfaction of an exclusive interest, nor the realization of any ambitious schemes, so she now wishes to recall what remains in Mexico of the army corps which France has sent there at the moment when she will be able to do so with safety to French citizens and with due respect for herself.

I am aware how delicate the discussion is to which Mr. Drouyn de Lhuys thus invites me. France is entitled, by every consideration of respect and friendship, to interpret for herself the objects of the expedition, and of the whole of her proceedings in Mexico. Her explanation of those motives and objects is, therefore, accepted on our part with the consideration and confidence which we expect for explanations of our own when assigned to France or any other friendly power. Nevertheless, it is my duty to insist that, whatever were the intentions, purposes, and objects of France, the proceedings which were adopted by a class of Mexicans for subverting the republican government there, and for availing themselves of French intervention to establish on its ruins an imperial monarchy, are regarded by the United States as having been taken without the authority, and prosecuted against the will and opinions, of the Mexican people. For these reasons it seems to this government that, in supporting institutions thus established in derogation of the inalienable rights of the people of Mexico, the original purposes and objects of the French expedition, though they have not been, as a military demand of satisfaction, abandoned, nor lost out of view by the Emperor of the French, were, nevertheless, left to fall into a condition in which they seem to have become subordinate to a political revolution, which certainly would not have occurred if France had not forcibly intervened, and which, judging from the genius and character of the Mexican people, would not now be maintained by them if that armed intervention should cease. The United States have not seen any satisfactory evidence that the people of Mexico have spoken, and have called into being or accepted the so-called empire which it is insisted has been set up in their capital. The United States, as I have remarked on other occasions, are of opinion that such an acceptance could not have been freely procured or lawfully taken at any time in the presence of the French army of invasion. The withdrawal of the French forces is deemed necessary to allow such a proceeding to be taken by Mexico. Of course the Emperor of France is entitled to determine the aspect in which the Mexican situation ought to be regarded by him. Nevertheless, the view which I have thus presented is the one which this nation has accepted. It therefore recognizes, and must continue to recognize, in Mexico only the ancient republic, and it can in no case consent to involve itself, either directly or indirectly, in relation with or recognition of the institution of the Prince Maximilian in Mexico.

This position is held, I believe, without one dissenting voice by our countrymen. I do not presume to say that this opinion of the American people is accepted or will be adopted generally by other foreign powers, or by the public opinion of mankind. The Emperor is quite competent to form a judgment upon this important point for himself. I cannot, however, properly exclude the observation that, while this question affects by its bearings, incidentally, every republican state in the American hemisphere, every one of those states has adopted the judgment which, on the behalf of the United States, is herein expressed. Under these circumstances it has happened, either rightfully or wrongfully, that the presence of European armies in Mexico, maintaining a European prince with imperial attributes, without her consent and against her will, is deemed a source of apprehension and danger, not alone to the United States, but also to all the independent and sovereign republican States founded on the American continent and its adjacent islands. France is acquainted with the relations of the United States towards the other American States to which I have referred, and is aware of the sense that the American people entertain in regard to the obligations and duties due from them to those other States. We are thus brought back to the single question which formed the subject of my communication of the 6th of December last, namely, the desirableness of an adjustment of a question the continuance of which must be necessarily prejudicial to the harmony and friendship which have hitherto always existed between the United States and France.

This government does not undertake to say how the claims of indemnity and satisfaction, for which the war which France is waging in Mexico was originally instituted, shall now be adjusted, in discontinuing what, in its progress, has become a

war of political intervention dangerous to the United States and to republican institutions in the American hemisphere. Recognizing France and the republic of Mexico as belligerents engaged in war, we leave all questions concerning those claims and indemnities to them. The United States rest content with submitting to France the exigencies of an embarrassing situation in Mexico, and expressing the hope that France may find some manner which shall at once be consistent with her interest and honor, and with the principles and interest of the United States, to relieve that situation without injurious delay. . . .

I do not think it would be profitable, and therefore I am not desirous to engage in the discussions which Mr. Drouyn de Lhuys has thus raised. It will be sufficient for my purpose, on the present occasion, to assert and to give reassurance of our desire to facilitate the withdrawal of the French troops from Mexico, and, for that purpose, to do whatsoever shall be compatible with the positions we have heretofore taken upon that subject, and with our just regard to the sovereign rights of the republic of Mexico. Further or otherwise than this France could not expect us to go. Having thus reassured France, it seems necessary to state anew the position of this government, as it was set forth in my letter of the 6th of December, as follows: Republican and domestic institutions on this continent are deemed most congenial with and most beneficial to the United States. Where the people of any country, like Brazil now, or Mexico in 1822, have voluntarily established and acquiesced in monarchical institutions of their own choice, free from all foreign control or intervention, the United States do not refuse to maintain relations with such governments, or seek through propagandism, by force or intrigue, to overthrow those institutions. On the contrary, where a nation has established institutions republican and domestic, similar to our own, the United States assert in their behalf that no foreign nation can rightfully intervene by force to subvert republican institutions and establish those of an antagonistical character. . . .

On the other hand, it is neither a right of the United States, nor consistent with their friendly disposition towards Mexico, to reproach the people of that country with her past calamities, much less to invoke or approve of the infliction of punishment upon them by strangers for their political errors. The Mexican population have, and their situation has, some peculiarities which are doubtless well understood by France. Early in the present century they were forced, by convictions which mankind cannot but respect, to cast off a foreign monarchical rule which they deemed incompatible with their welfare and aggrandizement. They were forced, at the same time, by convictions which the world must respect, to attempt the establishment of republican institutions, without the full experience and practical education and habits which would render those institutions all at once firm and satisfactory. Mexico was a theatre of conflict between European commercial, ecclesiastical, and political institutions and dogmas, and novel American institutions and ideas. She had African slavery, colonial restrictions, and ecclesiastical monopolies. In the chief one of these particulars she had a misfortune which was shared by the United States, while the latter were happily exempted from the other misfortunes. We cannot forget that Mexico, sooner and more readily than the United States, abolished slavery. We cannot deny that all the anarchy in Mexico, of which Mr. Drouyn de Lhuys complains, was necessarily, and even wisely, endured in the attempts to lay sure foundations of broad republican liberty.

I do not know whether France can rightfully be expected to concur in this view, which alleviates, in our mind, the errors, misfortunes, and calamities of Mexico. However this may be, we fall back upon the principal that no foreign state can rightly intervene in such trials as those of Mexico, and on the ground of a desire to correct those errors, deprive the people there of their natural right of domestic and republican freedom. All the injuries and wrongs which Mexico can have committed against any other state have found a severe punishment in consequences which legitimately followed their commission. Nations are not authorized to correct each other's errors except so far as is necessary to prevent or redress injuries affecting themselves. If one state has a right to intervene in any other state, to establish discipline, constituting itself a judge of the occasion, then every state has the same right to intervene in the affairs of every other nation, being itself alone the arbiter, both in regard to the time and the occasion. The principle of intervention, thus practically carried out, would seem to render all sovereignty and independence, and even all international peace and amity, uncertain and fallacious. . . .

Mr. Drouyn de Lhuys then arranges, in a graphic manner, the advantages that have arisen, or are to arise, to the United States, from the successful establishment of the supposed empire in Mexico. Instead of a country unceasingly in trouble, and which has given us so many subjects of complaint, and against which we ourselves

have been obliged to make war, he shows us in Mexico a pacific country, under a beneficent imperial sway, offering henceforth measures of security and vast openings to our commerce, a country far from injuring our rights and hurting our influences. And he assures us that, above all other nations, the United States are most likely to profit by the work which is being accomplished by Prince Maximilian in Mexico. These suggestions are as natural on the part of France as they are friendly to the United States. The United States are not insensible to the desirableness of political and commercial reform in the adjoining country; but their settled principles, habits, and convictions forbid them to look for such changes in this hemisphere to foreign, royal, or imperial institutions, founded upon a forcible subversion of republican institutions. The United States, in their customary sobriety, regard no beneficial results which could come from such a change in Mexico as sufficient to overbalance the injury which they must directly suffer by the overthrow of the republican government in Mexico.

Mr. Drouyn de Lhuys at the end of his very elaborate and able review, recapitulates his exposition in the following words: "The United States acknowledge the right we had to make war in Mexico. On the other part, we admit, as they do, the principle of non-intervention. This double postulate includes, as it seems to me, the elements of an agreement. The right to make war, which belongs, as Mr. Seward declares, to every sovereign nation, implies the right to secure the results of war. We have not gone across the ocean merely for the purpose of showing our power, and of inflicting chastisement on the Mexican government. After a train of fruitless remonstrances, it was our duty to demand guarantees against the recurrence of violence from which our country had suffered so cruelly, and those guarantees we could not look for from a government whose bad faith we had proved on so many occasions. We find them now engaged in the establishment of a regular government, which shows itself disposed to honestly keep its engagements. In this relation we hope that the legitimate object of our expedition will soon be reached, and we are striving to make with the emperor Maximilian arrangements which, by satisfying our interests and our honor, will permit us to consider at an end the service of the army upon Mexican soil. The Emperor has given an order to write in this same sense to our minister at Mexico. We fall back at that moment on the principle of non-intervention, and from that moment accept it as the rule of our conduct. Our interest, no less than our honor, commands us to claim from all the uniform application of it. Trusting the spirit of equity which animates the cabinet of Washington, we expect from it the assurance that the American people will themselves conform to the law which they invoke, by observing, in regard to Mexico, a strict neutrality. When you [meaning the Marquis de Montholon] shall have informed me of the resolution of the federal government, I shall be able to indicate to you the nature of the results of our negotiation with the emperor Maximilian for the return of our troops."

I have already, and not without much reluctance, made the comments upon the arguments of Mr. Drouyn de Lhuys which seem to be necessary to guard against the inference of concurrence in questionable positions which might be drawn from our entire silence. I think that I can, therefore, afford to leave his recapitulation of those arguments without such an especial review as would necessarily be prolix, and perhaps hypercritical. The United States have not claimed, and they do not claim, to know what arrangements the Emperor may make for the adjustment of claims for indemnity and redress in Mexico. It would be, on our part, an act of intervention to take cognizance of them. We adhere to our position that the war in question has become a political war between France and the republic of Mexico, injurious and dangerous to the United States and to the republican cause, and we ask only that in that aspect and character it may be brought to an end. It would be illiberal on the part of the United States to suppose that, in desiring or pursuing preliminary arrangements, the Emperor contemplates the establishment in Mexico, before withdrawing his forces, of the very institutions which constitute the material ground of the exceptions taken against his intervention by the United States. It would be still more illiberal to suppose for a moment that he expects the United States to bind themselves indirectly to acquiesce in or support the obnoxious institutions.

On the contrary, we understand him as announcing to us his immediate purpose to bring to an end the service of his armies in Mexico, to withdraw them, and in good faith to fall back, without stipulation or condition on our part, upon the principle of non-intervention upon which he is henceforth agreed with the United States. We cannot understand his appeal to us for an assurance that we ourselves will abide by our own principles of non-intervention in any other sense than as the expression, in a friendly way, of his expectation that when the people of Mexico shall

have been left absolutely free from the operation, effects, and consequences of his own political and military intervention, we will ourselves respect their self-established sovereignty and independence. In this view of the subject only can we consider his appeal pertinent to the case. Regarding it in only this aspect, we must meet the Emperor frankly. He knows the form and character of this government. The nation can be bound only by treaties which have the concurrence of the President and two-thirds of the Senate. A formal treaty would be objectionable as unnecessary, except as a disavowal of bad faith on our part, to disarm suspicion in regard to a matter concerning which we have given no cause for questioning our loyalty, or else such a treaty would be refused upon the ground that the application for it by the Emperor of France was unhappily a suggestion of some sinister or unfriendly reservation or purpose on his part in withdrawing from Mexico. Diplomatic assurances given by the President in behalf of the nation can at best be but the expressions of confident expectation on his part that the personal administration, ever changing in conformity and adaptation to the national will, does not misunderstand the settled principles and policy of the American people. Explanations cannot properly be made by the President in any case wherein it would be deemed, for any reason, objectional on grounds of public policy by the treaty-making power of the government to introduce or entertain negotiations.

With these explanations I proceed to say that, in the opinion of the President, France need not for a moment delay her promised withdrawal of military forces from Mexico, and her putting the principle of non-intervention into full and complete practice in regard to Mexico, through any apprehension that the United States will prove unfaithful to the principles and policy in that respect which, on their behalf, it has been my duty to maintain in this now very lengthened correspondence. The practice of this government, from its beginning, is a guarantee to all nations of the respect of the American people for the free sovereignty of the people in every other state. We received the instruction from Washington. We applied it sternly in our early intercourse even with France. The same principle and practice have been uniformly inculcated by all our statesmen, interpreted by all our jurists, maintained by all our Congresses, and acquiesced in without practical dissent on all occasions by the American people. It is in reality the chief element of foreign intercourse in our history. Looking simply toward the point to which our attention has been steadily confined, the relief of the Mexican embarrassments without disturbing our relations with France, we shall be gratified when the Emperor shall give to us, either through the channel of your esteemed correspondence or otherwise, definitive information of the time when French military operations may be expected to cease in Mexico. . . .

Part Seven

GROWING PAINS IN THE POST-CIVIL WAR DECADES

INTRODUCTION

1. PARTY GOVERNMENT

Election of 1872. The administrations of Grant disappointed the Radical Republicans and indeed—as they continued—shocked the whole country. For not only did Grant withdraw federal troops and legal officers from the Southern states—thus making possible the completion of white redemption—but he also surrounded himself with a company of professional politicians who despoiled the public offices and were responsible for a whole flock of scandals. As a result, even before his first administration was over, in 1872, there appeared a schismatic group in the ranks of the Republicans that sought to capture the machinery of the party itself; this failing, it entered the race in the presidential election of that year, under the name of the Liberal Republican party. There joined the ranks of the Liberal Republicans many friends of good government who advocated Civil Service reform and tariff revision.

In May, 1872, the new party nominated Horace Greeley of New York for their standard bearer and named Gratz Brown of Missouri as his running mate. The Democrats, incapable of resolving their own internal difficulties, endorsed the candidates of the Liberal Republican ticket at Baltimore when they held their convention in July. Despite this joining of hands on the part of reformers and Democrats, Grant was reelected by an impressive majority. The scandals in public administration continued; and Grant's second term was further made difficult by the appearance of financial panic in September, 1873. Hard times lasted until 1879.

Election of 1876. The Southern question was not actually ended until the election of 1876. In this contest, the Republicans went to Ohio and picked as their candidate Rutherford B. Hayes, who had been a Civil War general and was also acceptable because he had favored hard money in a region where inflation was popular. The Democrats, as in 1868 and 1872, turned to New York and nominated Samuel J. Tilden. Tilden had distinguished himself as a reform governor and had, in fact, waged a successful war against the notorious Tweed ring which had been dominating New York City politics. Like Hayes, he was thoroughly acceptable to the business community because he was a man of wealth and had demonstrated his soundness on such questions as railroad consolidations and a high tariff.

The presidential election of 1876 ended in uncertainty. Tilden carried New York, New Jersey, Connecticut, and Indiana, and apparently all the Southern states; and he seemed to possess a majority in the electoral college. However, two sets of returns were submitted for the electoral votes of the three Southern states of South Carolina, Florida, and Louisiana —that is to say, the Republicans claimed that they had won these states, too. Congress was now compelled to take cognizance of this anomalous situation. Congress, with a Republican Senate and a Democratic House, found a way out of its dilemma by setting up an electoral commission of fifteen members made up equally from the House, the Senate, and the Supreme Court bench. By a strict party vote of eight to seven in each instance, the electoral commission accepted the certificates of the Republican electors from Louisiana, Florida, and South Carolina. On March 2 the final count was taken and Hayes was declared President with an electoral vote of 185 to 184.

It has since been divulged that an under-

standing was arrived at between Republicans and Democrats under which the Democrats promised not to contest the findings of the electoral commission if, in return, the last federal troops were withdrawn from the South. Whether Hayes was party to this bargain or not, in any case his first concern as President was to recall the federal regiments from the capitols of Louisiana and South Carolina. By this act, all former Confederate states were once again under white Democratic rule, and the processes of redemption were now completed.

Party Leadership. The party contests, from 1876 to 1892, rarely rose above the trivial, when it came to a consideration of questions of public policy. And the choice between Democratic and Republican nominees was more frequently than not that between Twiddledum and Twiddledee. On both sides there was a willingness to accept the verdicts of the Civil War and Reconstruction to this extent: industrial capitalism had triumphed and policies supporting it were not to be reexamined; nor was Radical Republicanism to be reinstalled in the South. Because men of great talents found continued extraordinary opportunities for achievement in the fields of railroad and industrial promotions, party government was dominated by mediocrity. For the most part, those who filled Congressional and Senatorial seats and held executive posts were men of small stature, much more interested in personal factionalism and the spoils of office—politics had become a livelihood—than in the serious exploration of the problems facing a growing America.

From 1874 on, the Republican party was dominated by two groups who called themselves the Stalwarts and the Half-Breeds; the first was loyal to Grant and the second opposed to him. But on these questions they saw eye to eye: both were hostile to tariff reform, to the establishment of a Civil Service, to cleaning the corruptionists out of public office. Outside of these two factions moved those who at different times denominated themselves Independent Republicans, Liberal Republicans, and Mugwumps. They represented the reformers in the party and were more likely to attract the younger men; but they had little influence in party councils.

The Democratic party was less torn by strife, chiefly because of its long absence from federal power. Such leaders as it had were prominent state politicians, among whom were to be found Tilden and Cleveland of New York, Thurman of Ohio, and Hendricks of Indiana. In national contests the Democracy could count only upon the South. From time to time it sought to court the so-called doubtful states of the Middle West, by flirting with inflationary ideas; and in a half-hearted fashion it attacked the high protective tariff program of the Republicans. Indeed, during the seventies and eighties, such divisions as occurred in Congress on legislative matters—money and banking, public lands, regulation of railways—were on sectional lines regardless of party affiliation. The West and the South generally were arrayed against the North and the East. Nothing demonstrated more convincingly the failure of party leadership.

Election of 1880. The unresolved feud between the Stalwarts and the Half-Breeds led to the nomination of James A. Garfield of Ohio as a compromise candidate; as his running mate Chester A. Arthur of New York—a follower in the train of Conkling and therefore a Stalwart politician—was named. The Democrats in their turn chose General Winfield S. Hancock of Pennsylvania, who had had a distinguished Civil War career, came from a manufacturing state, and at the same time had made many friends in the South because of the mildness of his military rule. Because the Republicans were able to carry the Middle West, Garfield won by an electoral vote of 214 to 155.

Garfield permitted the Half-Breeds, led by Blaine, to dominate his Cabinet and to distribute the presidential patronage. Blaine himself became Secretary of State. The professional politicians at once obtained control over

the federal offices and began to raid them. Unfortunately, Garfield had no time to show his mettle, for he was shot down by an assassin in July and died in September, 1881. Chester A. Arthur succeeded him.

It is true that Arthur had been a machine politician, but his deportment as President was exemplary, and he left office with a series of distinct achievements to his credit. During his administration, the country's first Civil Service law (the so-called Pendleton Act of 1883) was passed; the question of Chinese immigration was settled; and the initial ships of the modern American Navy were approved by Congress.

Election of 1884. In June, 1884, the Republican party finally named James G. Blaine of Maine as its candidate and picked the Stalwart politician General John H. Logan of Illinois to run with him. The Democratic standard was placed in the hands of Grover Cleveland of New York, who was available for many reasons. He was from a doubtful state, he had been a reform governor and an enemy of Tammany Hall, he was a conservative on economic matters, and he was a straight party man. The Mugwumps were now in difficulties, for there had already been noised about hints of Blaine's associations with unscrupulous railroad promoters. The result was that men like Carl Schurz and Henry Ward Beecher could not support his candidacy. Not so however the rising young politicians Theodore Roosevelt of New York and Henry Cabot Lodge of Massachusetts; they had been Mugwumps, too, but they followed party rather than conscience and took part in the canvass for Blaine.

Blaine's was not the only reputation that was besmirched in the campaign of 1884; because there were no issues, Cleveland, too, became the center of personal attack. It was divulged that Cleveland was the father of an illegitimate child, and obviously much was made of this dereliction. Ironically enough, what determined the outcome of the election was a chance remark made by a visiting Baptist clergyman who called on Blaine in New York toward the close of the campaign. This gentleman, in hailing Blaine's candidacy, grandiloquently condemned the Democracy as the party of "Rum, Romanism, and Rebellion." Blaine failed to rebuke the minister, and the next day it was already too late, as Catholic New York City was alienated. New York went Democratic by only 1,100 votes; and Blaine lost also the doubtful states of New Jersey, Connecticut, and Indiana. The final electoral vote showed 219 for Cleveland and 182 for Blaine. The Democrats also carried the lower House, although the Senate continued to remain Republican. The Democrats had returned to power after the lapse of a quarter century.

Cleveland's first administration was devoid of important accomplishment. He appointed a number of capable Cabinet officers and put an honest official in charge of the General Land Office. On the other hand, he deported himself like a typical spoilsman, thus alienating his Mugwump supporters. As far as the tariff was concerned, because of the presence of many protectionists in his own party ranks and because he did not dominate the Congress, he was unsuccessful in effecting tariff reform.

Election of 1888. Despite all this, Cleveland received the Democratic nomination on the first ballot and Thurman of Ohio was named for the vice presidential office. The Republicans went to Indiana and New York for their candidates, nominating Senator Benjamin Harrison from the former for President and Levi P. Morton from the latter for Vice President. Interestingly enough, in this election—which again revolved about no significant questions of public policy—Cleveland obtained a plurality of the popular vote, but Harrison won in the electoral college by a vote of 233 to 168.

Harrison's political accomplishments were more impressive than those of previous administrations. In the year 1890, the high McKinley tariff bill was passed; a service pension law for Civil War veterans was put on the statute books; and the Sherman Silver Purchase Act and the Sherman Anti-Trust Law were enacted. In order to further strengthen its hold

on the electoral college, the Republican party provided for the admission of the sparsely populated territories of Idaho and Wyoming to the company of states. Another characteristic of the times was the growing influence of the speakership in the lower House. From 1890 to 1910 the House's presiding officer ruled with a rod of iron. The new tariff law was a bitter pill; and the result was the victory of the Democrats in the Congressional elections of 1890. Even McKinley, the bill's author, failed of reelection and had to console himself with the Ohio gubernatorial office. There also appeared in Washington many new and strange faces, some of them those belonging to a new political group called the Farmers' Alliance. And not least among the new junior members was a young Nebraskan Democrat, William Jennings Bryan. Thus divided, Congress spent its time making speeches.

Election of 1892. At the conventions of 1892 Harrison was once more named by the Republicans and the Democrats again turned to Cleveland. Now for the first time, an important third party movement emerged in the appearance of the People's party, which nominated James B. Weaver of Iowa as its candidate. Extended discussion of Populism and its platform will be presented later; it is enough here to point out that the strength of this new party contributed largely to Harrison's defeat. The end of the campaign saw Cleveland sweeping the country; for he carried not only the Solid South but also the doubtful states of Connecticut, Indiana, New Jersey, and New York. His total electoral vote was 277 to Harrison's 145. The Populists obtained 22 electoral votes in all. For the first time, too, since the Civil War, the Democrats also won safe majorities in both Houses of Congress; while the Populists elected ten Representatives and five Senators.

Cleveland's second administration lay under the heavy shadow of the depression of 1893–97. Fierce industrial strife, agricultural distress, and business failure and unemployment held the land in their grip. The incapacity of Cleveland to see the depression in terms other than monetary ones—he regarded the Silver Purchase Act of 1890 as the source of all evil—made impossible the formulation of any positive plans by the administration. Too, the Populist program had captured the imagination of many Democratic groups in the West and the South. Indeed, before 1893 was finished, Cleveland's party had repudiated his leadership. One concession to the traditional position of the Democracy was made in the enactment of the Wilson tariff bill. But even here revision downward was only in the raw material schedules; for the House bill was rewritten by Democratic Senators from industrial states who sought to preserve protection. Cleveland flayed his party leaders; yet he allowed the bill to become a law, without his signature, in August, 1894.

The Congressional elections of 1894 resulted in another defeat for Cleveland, for the Republicans obtained a great majority in the House and a safe lead in the Senate. The West turned to the Populists, sending seven Congressmen and six Senators to Washington from that party. The stage was already being set for the great debate of 1896, with Cleveland destined to be only a bystander. When in 1896 he deserted his own party, because it had largely adopted the Populist program, he was a man without influence.

2. *SETTLING THE COUNTRY*

Population Growth. Between 1870 and 1900, the population of the United States doubled; at the end of the century America could boast of 76,000,000 inhabitants. Population growth was due to the increasing urbanization of the country, the heavy influx of European immigrants, and the rapid settlement of the West. Indeed by 1890, the frontier was largely gone.

The filling up of the cities of America was a significant characteristic of these decades. In 1870, only one fifth of the country's population was urban (living in places of 8,000 or more). By 1900 this ratio had increased to one third, and the great metropolis had definitely emerged. In 1870 there had been but seven cities having 200,000 or more inhabitants; in 1900 their number had grown to nineteen. Also, the number of native-born whites of foreign parentage showed a measurable increase. In 1870, this group represented 20 percent of the population; by 1900, it had increased to 23.4 percent. In point of age, the population of the United States had definitely the characteristics of a pioneering and immigrant people. It was a young nation that settled the West, built the railroads, and laid the foundations of America's industrial greatness: in 1870, 85 percent of America's inhabitants was 45 years or younger; by 1920, this ratio had dropped to 79 percent.

The Passing of the Frontier. America's empty West was conquered before the turn of the new century, so that in every region of the country by 1900 there were to be found all those amenities of a settled life. The sweep toward the West had gone on inexorably, with, of course, temporary setbacks. The prairies had finally been brought under the plow by the fifties; the plains of western Kansas and Nebraska had yielded to the persistence of American pioneers by the late eighties. There were still, it is true, bold spirits battling the fierceness of nature in the deserts of western Colorado, Utah, New Mexico, and Arizona. But really the frontier was no more: for East had joined West, and now the same tastes, the same attitudes toward life and, in fact, the same consumer goods were filling one great continental market.

The factors that had contributed to this remarkable growth may be briefly noted: (1) Homesteadism and the low prices of railroad and state lands had beckoned hundreds of thousands of settlers. (2) Railroad nets, crossing the trans-Mississippi West in the north, the center and the south, bound all sections of the country together. (3) The Western states, the railroads, and the new steamship companies carried on an active propaganda in all the European countries, and encouraged millions to seek their new fortunes in the growing America. (4) There was a boom in the cattle industry in the seventies and eighties on the Great Plains, and foreign capital and immigrants eagerly came to engage in it. (5) Gold was discovered in the Dakotas and silver throughout the whole Far West, so that many prospectors entered these regions. (6) A series of bad harvests hit almost all the wheat-growing nations of the world in the seventies and sent European peasants and Eastern farmers into the West to open up new wheat fields. (7) The wars in which European nations were engaged in the sixties and seventies compelled many, who found compulsory military service distasteful, to quit their native lands.

By thousands of families, every day, new settlers forced their way into the uninhabited territories of the Far West. They brought small capitals, because land had to be purchased and tools acquired; they carried all their household possessions with them; they drove their livestock before them. There were few comforts of life. Because of the scarcity of timber they lived in dugouts or sod houses. Indians, prairie fires, blizzards, locusts, and droughts made the lives of the pioneers on the Great Plains difficult and frequently too hard to bear. The population was heterogeneous, coming from many lands and different states, speaking numerous languages, and worshiping God in a great variety of ways. Yet houses were built, communities arose, schoolhouses were erected, and the Indian was pushed farther and farther back. Inventions appeared to make agriculture less arduous, and agricultural colleges—thanks to the Morrill Agricultural College Act—sprang up in the Western states to bring science to the aid of the farmers and the ranchers. Thus Nature was conquered. Before long, however, the pioneers discovered other enemies—in the railways, the land mortgage companies, the

tariff-protected industries, and the commercial banks. The political programs of Populism came from a pioneering people in response to those man-made obstacles which the settlers could not overcome by their courage and ingenuity.

Immigration. As has been said, European immigration was one of the great forces in the building of the United States. From 1820 to the end of the century, almost twenty million immigrants poured into the country. It is true that the misery of European slums and the unequal status of tenant farming made the break with home ties easy; and that the official oppression of minorities in Austria-Hungary and Russia added their thousands to the immigrant stream. In addition, transportation was cheap, farm lands were easily acquired, wages were high. There was freedom of religious worship and no military service and no ruling caste. America was the land of opportunity in a very real sense. So they came—first the Irish, Germans, English, Welsh, Scandinavians; and then, beginning with the 1880s, the Italians, Poles, Finns, Croats, Rumanians, Czechs, Ruthenians, Jews, Turks, and Greeks. They went to the farms and the cities; and to the lumbering and railroad-construction camps, the mines, stockyards, mills, factories, and sweatshops of America.

Every decade from the 1870s up to the outbreak of the first World War saw the stream of immigrants increasing. In the seventies total immigration came to 2,800,000; in the eighties to 5,246,000; in the nineties to 3,687,000. In the first ten years of the twentieth century almost a million Europeans, on an average every year, entered the United States. The decade of the eighties was to see not only new immigration records being established, but a profound change making itself evident in the national character of the newcomers. Up to the eighties, three fourths of all the persons who migrated to the United States came from the Celtic and Teutonic countries of northern and western Europe; and then immigrants from southern and eastern Europe and from the Near East took their places.

The introduction of these new groups, with their strange languages and curious customs, slowly transformed the attitude of the typical American from one of welcome to one of hostility. The new industrialists obviously encouraged their arrival; for they were willing workers and not yet accustomed to the high standards of living of native-born American labor. Members of skilled trade unions, however, were becoming increasingly suspicious, for they feared attacks upon trade union standards. Perhaps more important than these influences were the attitudes of politicians, sociologists, and social workers, who were beginning to claim—with dubious statistics, it is true—that America's new immigrants were responsible for the poverty, juvenile delinquency, and crime of America's slums. It was also being charged that the foreigners were bringing subversive ideas into the United States, that they were America's anarchists and socialists. Slight as were the merits of these contentions, the demand for immigration restriction began to appear. And, presently, legislation aiming at selection was being put on federal statute books.

The New Agriculture. It was inevitable that these movements should help in transforming the American agriculture. The new settlers of the West came to raise beef cattle and sheep and to grow wheat and corn. The increasing demands for the products of the soil from an America becoming urbanized, the growing difficulty of Europe in feeding itself, and America's international position as a debtor nation were among the other important factors accounting for the extraordinary development of American agriculture. In other words, the young industrial capitalism of the United States needed to import capital for railroad building on the one hand, and tin, nickel, crude chemicals, rubber, silk, machinery, and fine tools on the other. To meet interest charges on foreign loans and to pay for foreign imports,

the United States had to develop its exports on a vast scale. Up to the end of the nineteenth century the foodstuffs and cotton from the American West and South performed this function; in this way, agriculture and industry were linked.

In the forty years from 1860 to 1900, the size of the American farm domain more than doubled; also, the acreage under crops increased, not only absolutely but proportionately as well. In 1860, the capitalized value of American farm properties was less than eight billions of dollars; by 1900, it was a little more than twenty billions. The American farmer possessed a large freehold—the average size of the farm was 147 acres in 1900; he constantly added improvements to his farm home and buildings; and before the century was over he was breeding blooded beef cattle, dairy cattle, and hogs.

Wheat. With the assistance of machinery, the wheat lands of America spread out into the prairies and plains. As they did so, the more settled regions of the East and the Middle West turned to dairy and general farming. In 1859, America produced 173 million bushels of wheat, with Illinois and Indiana the most important wheat-growing states; in 1899 production was 659 million bushels, with Minnesota and North Dakota in the lead. In Illinois, Indiana, Ohio and Iowa, wheat lands had been converted into corn fields, and hogs were being raised for Eastern and European markets.

The improvement of farming machinery and the great increase in American agricultural productivity came as a result of the perfection of the plow and the reaper. In the fifties a plow with a steel mold-board, capable of turning up the tough prairie sod, was on the market; and in 1870, the Oliver plow, fabricated entirely of chilled steel, was being manufactured and sold widely. Some slight notion of how improvements in plows, as well as in seeders and harrows, facilitated the rapid exploitation of the virgin soil in the West and made the United States for at least three decades the granary of the world, may be gained from these facts: In 1830, it took 32.8 minutes to prepare the soil for a bushel of wheat; in 1900, it required only 2.2 minutes.

The reaper played as significant a role in the development of the new agriculture. In 1833, the Hussey reaper made its appearance; and in 1834, the McCormick reaper was perfected. Cyrus H. McCormick left the Shenandoah Valley of his birth and took his new machine west, first opening his factory in Cincinnati and then in 1847 in Chicago. McCormick sold his reapers on the installment plan and before long the great majority of the farms of the prairies and plains were using them. Binding was still a hand process, but it was not long before the McCormick machine was accomplishing this task as well. In 1879 appeared the Deering binder, which bound the sheaves of grain with twine. There now followed the modern threshing machine and finally the great grain combine, which united the processes of harvesting and threshing, so that the grain was ready for the mill before it was entirely off the fields.

The saving in human labor through the perfection of all these devices was extraordinary. In 1900, the amount of labor time needed to produce a bushel of grain from beginning to end was 10 minutes as compared with the 183 minutes of 1830. By 1900, American wheat farms possessed gang plows, harrows, seeders, mowers, self-binding harvesters, and steam engines and threshers. How far the mechanization of American agriculture advanced is revealed by this single fact: In 1859 the total value of farm implements manufactured was 8 millions of dollars; by 1899, it was greater than 100 millions of dollars.

Cotton. The return of cotton to the American export market also helped in the improvement of our international position. The redemption of the Southern states made possible the establishment of the share-cropper system, and by 1880 share tenancy held the South in its thrall. Under share-cropping, the landlord sup-

plied the land, the cabin, the mule, the plow, and the seed of the renters; and he got one half of the money from the sale of the crop. He also "furnished" his tenant with meal, meat, and molasses during the growing season, deducting this indebtedness from moneys due. In view of the fact that country merchants were willing to lend to planters and supply them, against crop liens, the financing of the whole system was made possible. The upshot was that cotton plantings grew and the areas under cotton spread west and north over the whole South. Before Reconstruction was over, cotton was being grown on only 9 million acres; by 1900, this had increased to 25 million acres. The cotton crop of 1859 totaled 4,300,000 bales, with Mississippi and Alabama the leading cotton-producing states. It was not until 1878 that cotton once more was being grown in the same amount. But by 1899, the cotton crop of the United States was 9,400,000 bales, with Texas now the most important center of production.

Cattle. The American cattle industry even preceded the appearance of wheat and cotton growing in the American West. For some two centuries longhorn cattle, which had been known to the Southwest since the early days of the Spanish occupation, had been bred on the Texas plains largely for their hides. The coming of the Union Pacific and the Kansas Pacific railways into the Western country opened the eyes of Texas cattlemen to the possibilities of the meat market of the East. They crossed the longhorn cows with imported sires and produced a new variety of beef cattle which could be shipped into new markets. The unfenced plains of the public domain, where pasturage was bountiful and free for the taking, gave the industry every opportunity to develop. Cattle were driven northward to the railheads of the Union Pacific and here were loaded on the trains that took them to the Kansas City and Chicago stockyards.

During the eighties the long drive lengthened as the herds of beef cattle were driven into northern Colorado, Dakota, Wyoming, and Montana. There followed boom times in the cattle industry and foreign capital poured into the country to permit of operations on a large scale. But by the end of this decade, the cattle industry—at least as far as the open range was concerned—was ended. Overstocking of the business had taken place; homesteaders had begun to clamor for the fencing of the open range; and public quarantine regulations prohibited the movement of the longhorns across state lines. It is also to be observed that more and more only yearlings were being shipped out and these were being sent into the Middle West and even into the East for stocking and feeding; and the longhorns were being replaced by full-blooded Herefords and Anguses. The longhorns had lived their brief colorful career on the open range and, as this was shut off, another episode in the history of the American frontier was ended. But the stockyards which had grown with the cattle industry—the Union Stockyards of Chicago had first opened in 1865—continued to flourish, and the Swifts, the Armours and the Morrises, who had made their appearance here, continued to expand mightily with the American meat-packing industry.

3. *INDUSTRIAL CAPITALISM'S VICTORIES*

During the seventies and eighties, the processes of making industrial capitalism's house secure went on politically; and its economic achievements were equally great. Within a free climate, America's industry reached man's estate before the nineteenth century was over.

War Bonds and Sound Money. During these decades, Republican Treasury officials concerned themselves with the redemption of the war bonds in sound money. Many of these had been issued with the stipulation that they were to be repaid in coin. In 1873, Congress decided that coin meant only gold. In 1878 it declared that no new issues of greenbacks were to be

made. On January 1, 1879, the Treasury resumed specie payments. In this way, all those who had invested in public and private securities during the war years were assured of returns in a vastly appreciated dollar. And America's return to the gold standard made it possible for European capital to flow here once more for investment.

The Fourteenth Amendment. The Fourteenth Amendment was utilized by the Supreme Court for the protection of property rights. Originally, presumably, the Fourteenth Amendment had been drawn up by the Joint Committee on Reconstruction in 1866 for the purpose of safeguarding the civil rights of Negroes. Section one of the amendment included this significant sentence: "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property without due process of law; nor deny any person within its jurisdiction the equal protection of the laws."

In the beginning, it was generally assumed that the concept of "due process" had only a procedural intention. Indeed, in early cases in which the Fourteenth Amendment was appealed to as an authority (notably the Slaughterhouse cases of 1872 and the Granger cases of 1876) the Supreme Court had so held. But as a result of the claim of Roscoe Conkling (a member of the Joint Committee) when he appeared before the Supreme Court in 1882 and stated that the Joint Committee was interested not only in Negro civil rights but equally in protecting property rights from confiscatory state legislation, the Supreme Court began to shift its ground. Beginning with 1886, therefore, the concept of "due process" was given a substantive interpretation, that is, it came to be regarded as a limitation upon government in connection with the substance of legislation. In effect, federal courts began to find that the natural and inalienable rights of the person to life, liberty, and property could not be abridged. Thus, the individual businessman or the corporation (also regarded as a "person" under the first section of the Amendment) could continue unhampered, secure in his property rights and protected against leveling legislation. The fact is, up to the 1930s, the Supreme Court continued to function in terms of such a reading of the concept of "due process"; and it was not until a new bench appointed by Franklin D. Roosevelt began to revert once more to a more limited procedural interpretation that the power of the states to limit and control property came to be recognized.

Monopolists in the Public Domain. The quick disposal of the public domain made possible not only the utilization (and wasting) of vast natural resources in timber and minerals by the new industrial capitalists; it also created means by which the railroads could obtain revenues quickly for the purposes of constructing and expanding their systems. It is true that the Homestead Act of 1862 opened the public domain to free settlement and that large numbers of freeholders benefited from the governmental largess. It is equally important to observe, however, that an even greater proportion of Western settlers entered the public domain by purchase. Thus, the public land system led to speculation, monopoly, and fraud; in fact, up to the nineties, the General Land Office was woefully inefficient and the willing tool of the land jobbers.

Thus, great fortunes were built up by land speculators and monopolists. Moreover, factory farms made their appearance to utilize machinery and migratory labor, under highly undesirable working conditions. Many of these so-called bonanza farms failed before the nineteenth century was over; but enough survived to point up the evils of this kind of absentee wealth. However, it is important to have in mind, that estates—European style, seating a large landless peasantry—did not emerge; land operators wanted only to sell, and they sold at low prices. Had the public domain been carefully safeguarded, modern America could not have emerged.

Building the Railroads. The railroads in par-

ticular profited from the generous land policy of government. Between 1830 and 1860, only some 30,000 miles of railroad track were laid down in the United States. By 1900, the United States could boast of 193,000 miles of railroad line, more than the combined mileage of all the European nations. The advance of the railroad industry in the United States was the result of a combination of many forces: (1) The huge grants of land from the public domain to the companies building westward from the Mississippi River to the Pacific Coast played their part. In time the Federal government permitted railroads to patent 131,400,000 acres of the public domain. Revenues obtained from the sales of these lands made possible the financing of a good part of railroad construction. (2) Real economies in railroad management took place, necessitated by reduction in rate schedules arising out of early railroad competition and then later railroad regulation by the states and the Interstate Commerce Commission. (3) Many railroads bought into coal lands and coastwise shipping fleets. By these devices, railroading was also able to reduce substantially its costs of operation. (4) Improvements in operation and services occurred: by the utilization of steel rails; the adoption of the dining car and Pullman sleeper; and the invention of the Westinghouse airbrake and the block signal system. Railroads also were the first agencies to span the great rivers of the American West. Thus, the country was getting an effective railroad system. At the same time, early manipulation by promoters and, beginning with the nineties, control of the railroads by the investment bankers made possible the building up of some of the country's greatest fortunes. In fact, before the rise of Carnegie and Rockefeller, the persons who left really great estates in America were men like the Vanderbilts and the Goulds. Some had obtained their fortunes by honest railroad construction, some simply by stockwatering.

The combination of lines into rail systems was the work of the enterprisers of this period. The first great American railroad man to appear was Cornelius Vanderbilt, who entered the industry after he had already become wealthy in steamboats. In 1860 Vanderbilt set to work to erect the New York Central system, and by 1869 he was operating a unified trunk line running from New York City to Chicago. Also in 1869 he recapitalized the system at 86 millions of dollars, adding by a single stroke a book value of 42 millions to the properties of the company. But Vanderbilt was a far-sighted railroad manager: he double-tracked his lines, led the way in the use of steel rails, threw modern bridges of steel across embankments and rivers, and acquired for his railroad the Grand Central Terminal at New York City. Other important systems built up in the East in this period were the Pennsylvania Railroad, the Baltimore and Ohio, and the Erie. The first two followed the example of the New York Central Railroad and added significantly to their improvements. The third fell into the hands of Jay Gould and other manipulators and became a football of stock-market speculation.

The great Western railroads received, as has already been pointed out, subsidies from the government in the form of land grants and loans. This was true of the Union Pacific, the Central Pacific, the Great Northern, the Northern Pacific, the Kansas Pacific, and the Missouri Pacific. Into the history of the Great Northern (and later, the Northern Pacific) entered James J. Hill, who succeeded in building up a mighty empire of railroads, timber properties, and farm lands in the Northwest. Like Vanderbilt before him, Hill was a railroad man first and a promoter second; and he created a vast system and opened up the Northwest country to settlers.

It has been said that the land-grant railroads patented a total of 131,400,000 acres. If to this amount are added the grants made by the states, the whole acreage thus turned over probably came to at least 180 millions of acres—a domain approximately the size of the state of Texas. If a nominal value of only two dollars an acre is placed on these lands, this form of subsidy to

the Western railroads reached the impressive total of 360 millions of dollars. The actual money grants made to the railroad builders were even greater; in fact, a conservative estimate has placed the amount thus received from all public sources at 700 millions of dollars. By 1870 when this form of aid had largely ceased, public financing had contributed at least two fifths of the cost of laying down the American rails.

The role of European capital in the railroad construction was also of the first importance. The bonds of the American rails for the most part were sold in England, Germany, and Holland. The result was that in 1900 of the $3,300,000,000 worth of American securities held abroad at least three billions represented ownership of American railroad securities. In 1900, the capitalization of the American railroads was put, by the Interstate Commerce Commission, at $11,500,000,000. Without public help and foreign capital, the American railroads could not have been built.

Tariffs. The protective tariff system, adopted by the Civil War Republican Congresses, was continued throughout the whole of this period. The fact is, up to 1896 (except once in 1888) Republicans and Democrats were in substantial agreement on the necessity for maintaining protectionism for American industry. Efforts at tariff revision downward —and here only Democrats in the House remained true to their party's traditional position —were uniformly unsuccessful. For example, the tariff bill of 1875, calling for reductions, was a Democratic measure, but it never got out of the House. In 1884 and again in 1886, despite the fact that the Democrats once again controlled the lower House, bills to lower tariff schedules were killed on routine motions. Only once, in 1888, did the leadership of Cleveland seek to assert itself. The President called upon a Democratic majority in the lower House to reduce the tariff rates of 1883. He was worried over the surplus in the Treasury: it stood at more than one hundred millions of dollars. The tariff bill of 1888 sought to reduce duties on pig iron and cotton and woolen goods, and vastly amplified the free list. But the Senate of 1888 was a Republican one, and it therefore wrote a high protective tariff bill which the House Ways and Means Committee at once rejected.

The Republican victory in the next election led to the writing of the McKinley Tariff Act of 1890, which pushed rates upward to levels not previously attained. The wool and woolen schedule, the heart of the tariff, was strengthened; the rate on steel rails was raised; the duty on refined sugar was placed at one half a cent a pound; raw sugar was put on the free list. The tariff law was unpopular and the Republicans lost the presidency and both houses of Congress in the election of 1892. Now, for the first time since the Civil War, the Democrats were in a position to redeem their campaign pledges. The result was, the Wilson tariff bill, when it left the House on February 1, 1894, did provide for reduction downward. Also it included a provision establishing an income tax of 2 percent on all incomes in excess of $4,000. Cleveland, however, was not in a position to crack the whip over the Senate. The fact is, Southern Senators, seeking to safeguard their regional interests in sugar, coal, and iron, were recalcitrant. They joined forces with the Republicans and the coalition wrote a high tariff bill. The House, although its indignation was great, was compelled to accept the Senate bill and Cleveland permitted it to become a law. The Democrats were further humiliated when the income tax section of their act was declared unconstitutional by the Supreme Court in 1895. Thus, protectionism cut across party lines.

The Achievements of American Industry. From the Civil War up to the nineties, therefore, many forces combined to favor the new leadership which had emerged in American industry. Tariffs protected the infant industries. The domestic market grew vastly, thanks to the completion of the railroad net and the inpouring of great numbers of immigrants. An expanding agriculture fed well the native population and also created surpluses to pay for

imports of raw materials and semiprocessed goods and to make possible the meeting of interest charges on foreign borrowings. The opening up of the public domain made readily available great stocks of raw materials—lumber, iron, coal, petroleum, lead, copper and silver.

With American industry under an aggressive and imaginative leadership, productivity increased by leaps and bounds. Inventions and new processes appeared in an unending stream, notably assisting the progress of the country's two great capital goods leaders of iron and steel and machinery. By the 1880s, Americans were already familiar with the following: mechanical reapers, mowing and seeding machines, and the steam plow; the Bessemer process for making steel rails; electroplating and the electrotype; the steamhammer, the steam excavator, and the steam drill; dynamite; the sewing machine; the use of the electric light and the electric dynamo; the compound steam engine; the rotary printing press; hydraulic lifts, cranes, and elevators; and the industrial use of nickel, cottonseed oil, natural gas, and petroleum products.

In 1860, the capital invested in American manufacturing was one billion dollars; in 1900 it was almost ten billions. In 1860, the value of American manufactured products was not quite two billions of dollars; in 1900 it came to thirteen billions of dollars. In 1860, there were only 1,300,000 wage earners in American manufacturing; in 1900 their numbers had increased to 5,300,000. Nothing demonstrated more impressively the great advances of the new machine age in America than the production of basic raw materials. The following figures really tell the story of America's industrialization.

Production in America

	1860	1900
Anthracite coal (short tons)	9,620,000	60,418,000
Bituminous coal (short tons)	6,013,000	193,323,000
Crude petroleum (barrels)	500,000	57,071,000
Pig iron (long tons)	751,000	13,621,000
Crude steel (long tons)	10,000	10,640,000

It was no wonder that the national income increased from $2,380,000,000 in 1850 to $19,360,000,000 in 1900; and that over the same fifty years the real income per head of the occupied population almost doubled. That is, in the earlier year it was $787; and in the later year, $1,388. This was the work of America's first generation of industrial capitalists—the Carnegies, Rockefellers, McCormicks—who were bold and ruthless innovators and enterprisers. They plowed back savings into capital plant; they introduced the new technology; they engaged in cutthroat and unfair means of competition. But they lowered costs and prices and kept wages high. They made great fortunes, and they enriched America in the process. Under their leadership—with government standing by passively—there were periods of roaring business booms and bad recessions.

The Course of Business. With the conclusion of the Civil War, the resumption of foreign trade, and the adoption of sounder fiscal policies by the Federal government, the war inflation began to recede. One of the important characteristics of the period was the continued decline of wholesale commodity prices. It was not until 1878 that prices were once more restored to their 1860 levels; and then they went steadily downward. From 1878 to 1896, prices dropped 25 percent. Price movements were not uniform, of course, declining most sharply in wheat and flour, textiles, and iron and steel. From 1866 to 1897 the price of pig iron, in gold, fell from $33.26 to $12.10 per ton; and the price of Bessemer steel rails over the same period, also in gold, fell from $120.18 to $18.75 per ton. The tapering off of gold production throughout the world may have had something to do with price decline; but more important was the lowering of costs due to technology and superior management.

The workers of America benefited, as a result. Nothing throws more light on the advances industrial America was making than the index figures for real wages. From 1860 to 1900, the real wages of the American worker doubled.

All these were signs of growing up; but business in America had its periods of recession and depression as well as those of expansion and boom. At the basis of depression during these years undoubtedly were to be found the following general causes: (1) Frontiers were being pushed out too hastily, that is to say, there were many speculative investments as well as legitimate ones. This notably was true of the railroading industry. (2) The inadequacy of the American financial mechanism, which did not contain adequate controls over bank reserves and the discount rate, played into the hands of speculative promoters and manipulators. (3) The underprivileged position of agriculture—because agricultural prices dropped much more sharply than did the cost of things the farmers bought—from time to time removed an important sector of the American consuming public from the markets for goods and services.

A downward turn in the business cycle took place following the end of the Civil War, but it was due to the inevitable adjustments required of wartime industries. From 1868 to 1870 revival and boom once more appeared, with railroad construction (employing most of the capital goods industries) showing the way. In 1868, 3,000 miles of new track were laid down; by 1871, new construction was producing 7,000 miles of railroad. But by 1873, with building slowing down, the heavy industries were working below capacity. A poorly functioning banking system and America's unfavorable balance of trade—European loans were really financing American purchases abroad—were the other important reasons for the onset of depression. It lasted up to 1879.

The close connection between European finance and the American money centers has already been indicated. In the spring of 1873, panics had hit many of the European continental cities; and, in England particularly, money had become suddenly tight. Europeans owning American rail securities began to sell; bank balances here were also being withdrawn. The American banking houses closely tied to European finance could not stand the strain. Speculation, too, played its part, so that the country's bank reserves, deposited in New York City's banks, were out at call supporting the security markets. With the withdrawal of the reserves by banks from New York, the plugs were pulled out and security values collapsed.

The Depression of 1873–79. It was no accident that the firm which had brought so much European capital into America—that of Jay Cooke and Company of Philadelphia and New York—should go first. Its New York offices closed their doors in September, 1873, and brokerage houses quickly followed suit. Railroad bankruptcies now multiplied. The New York Stock Exchange shut down, and commercial failures increased enormously. Before 1873 was over, 500 such failures were reported, involving liabilities of 228 millions of dollars. As for the rails, 89 were in default on bond issues worth 400 millions of dollars. The depression continued for six years: railroad building virtually stopped; the unemployed reached at one time a total of three million; immigration slowed down; prices dropped almost 30 percent; and there were widespread vagrancy and serious industrial conflict.

Out of this depression emerged a revitalized capitalism, and it continued its upward career. After 1879, the United States possessed a favorable commodity balance; also, thanks to European crop failures in 1879, 1880, and 1881, foreign gold once more poured into the country. Railroad construction was resumed; farmers, with more purchasing power as a result of better prices, bought new equipment; the iron industry began to build new furnaces for the making of steel; and the capital goods industries once more were experiencing revival. By 1883, when the boom was again in full swing, new railroad construction came to 11,600 miles. In 1884 and in 1888, there were brief recessions; but recovery was immediate and business continued good until 1893.

4. *FARMERS AND WORKERS*

The Springs of Western Unrest. These recurrent booms and depressions and the oppressive tactics of railroad men, along with the inadequacies of farm credit, accounted for the appearance of unrest among Western farmers. It is true that during the seventies, eighties, and nineties, although American agriculture was expanding its horizons constantly, it was operating at small profits or none at all. The American farmer was being sustained in real measure by the constant appreciation of his lands. In Nebraska, for example, in the twenty years from 1870 to 1890 the price of farm land went up from seven dollars to thirty dollars an acre. The farmer's capital, then, was in his land and improvements, and only because these were steadily mounting in value could he keep his head above water. The high value of his land permitted him to convert his floating debts into mortgages, with the result that farm mortgage indebtedness was becoming heavier every year. In the corn belt, in the nineties, it was nothing unusual for the mortgage burden to average well over one third of the total capital value of the farm plant. This situation, in short, strikingly reveals the dilemma that was at the basis of the agrarian problem of the period. Agricultural prices were falling and credit was tight; and, for this reason, a larger and larger proportion of the farm dollar had to go to the meeting of debt charges and tax payments.

The farmer had other enemies. He numbered among them the railroads with their high rates for carriage and their discriminations in favor of the large shipper; the tariff-protected manufacturers, who were refusing to pass on to consumers all the economies effected by the decreasing of costs and the lowering of prices; the bankers and money lenders, who were refusing to lend the farmer on his crop and who were also charging high interest rates on mortgages; and governmental officials, because the greater burden of taxation was placed on realty values and not on income or personalty. Farm programs, therefore, called for a better control of railroad rates, the checking of monopolies, changes in the system of taxation, the easing of rural credits, and the erection of government elevators and warehouses for the storing of agricultural surpluses, against which negotiable warehouse receipts might be issued. These were the economic demands of the American farmer in the middle seventies, in the eighties and in the nineties. Farm agitation sometimes seemed to emphasize entirely currency reform. Farmer groups were advocates of Greenbackism and free silver, it is true; but essentially these demands for inflation represented not so much an interest in the raising of prices as they did a desire to increase the available currency resources of the country in order to make rural credits easier. The fact is, the heart of agrarian discontent was to be found in the deficiency of short-term and long-term credit.

Greenbackism. The Federal government's monetary policy of the late sixties, particularly the limitation on the volume of greenback circulation and the guarantee of the payment of the war bonds in coin, accounted for the appearance of Greenbackism in politics. In 1868, the Democratic party endorsed the idea of the unlimited printing of paper money. But agrarians, and their urban supporters among the trade unionists, were not satisfied with this expression of interest. In 1872 there was organized an independent party called the National Labor Reform party. Its program called for the abolition of the national banks, "a true national currency," and repudiation of the government's funding program. It named a presidential candidate in that year, but made only a slight impression upon the electorate. Greenbackism, however, was too real an issue to be dropped. In November, 1874, another group, this time made up largely of farmers, created a second national independent party. In 1876, nominating the philanthropist Peter Cooper of

New York as its candidate, it adopted a platform which concerned itself almost entirely with financial matters. But again the vote polled was small.

The continuance of the depression through the seventies strengthened the determination of the agrarians to go on, and in 1878 the Greenback Labor party was launched. In the elections of that year, Greenback candidates polled fully a million votes and sent fourteen of their numbers to Congress. In 1880, the Greenbackers named General James B. Weaver of Iowa for the presidency and received 308,000 votes, most of which came from agrarian communities in the West and South. But by 1884, Greenbackism had largely waned and it did poorly in this election and in that of 1888. The platform of 1888, however—this time under the banner of the Union Labor party—was much wider in scope than the customary one of Greenback demands; in fact, it was the immediate precursor of that of the People's party of 1892. It opposed land monopoly, the importation of contract labor, and the reopening of free Chinese immigration. It advocated government ownership of railroads and telegraphs. It called for a graduated income tax, and it demanded woman suffrage and the direct election of United States senators. But labor was apathetic and the Union Labor party drew its strength almost entirely from the Greenback country. Its candidate polled only 145,000 votes. The Greenback agitation disappeared from the political scene with this failure, and some of its leaders moved over into the Populist camp.

Grangerism. Another source of agrarian unrest, as has been said, was to be found in the oppressive tactics of the great railroad corporations. Railroad rebates and discrimination prompted American agrarians in the early seventies to enter politics and to seek reform of the railroad industry; and they did this through the agency of a farmer organization called the Patrons of Husbandry, but more popularly known as The Grange. The Grange had been founded in 1868 as a secret society devoted to the betterment of agriculture. By 1874, the order had 15,000 local branches and a membership of one and one-half million farmers. The founders of the society, from the beginning, preached the doctrines of producer and consumer cooperation, and many such experiments were started. Cooperative retail stores were particularly numerous. Unfortunately, due to inefficiency of management and unfair competition, most of these early experiments in agricultural cooperation failed.

Although the Granges ostensibly were nonpolitical, it was hard to keep the Western farmers from creating political organizations. In 1873 and 1874, in eleven Western states, farmer parties named state and local tickets and returned large delegations to the legislatures. It was within these bodies that the first enactments for the control of railroads and warehouses were written. In Illinois, for example, a series of laws was passed which provided for the establishment of a railroad commission to prepare schedules of rates and to outlaw discrimination between persons and places; the commission's rulings were to be regarded as prima facie evidence of reasonableness. By statute, or by constitutional amendment, similar attempts took place in the states of Iowa, Wisconsin, Minnesota, Missouri, Nebraska, and California, and in many of the Southern states. Legislation was passed against the pass evil, short-haul abuses, pooling, and other railroad practices.

In 1876—refusing to be limited by the due process clause of the Fourteenth Amendment—the Supreme Court declared the Granger laws constitutional. In reviewing a number of cases, arising out of the Illinois, Iowa, Minnesota, and Wisconsin railroad acts, the Supreme Court laid down the following principles of state action: A state might regulate a business of a public nature, particularly one in which there were to be found the elements of monopoly. The right to regulate had not been contracted away unless the legislature had specifically so declared. Powers of regulation rested with the legislature and not the

judiciary. The courts could not pass in review the exercise of the regulatory power by the legislature. In other words, the courts were not competent to review the question of the reasonableness of rates fixed by the legislature or by their agencies. If there were legislative abuses, said Chief Justice Waite, in writing the decision in Munn *v.* Illinois, then the polls were the refuge of the people and not the courts. (It is interesting to observe that the Supreme Court, under the New Deal, came back to this doctrine after more than fifty years of judicial interference.)

But the Granger laws did not survive. A number of them were repealed by legislatures. In addition, the following factors increasingly were rendering them inoperative: (1) There was a complete lack of technical skill on the part of the persons invested with the problems of regulation. (2) The hostility and the ingenuity of the railroad managers were more than enough to offset the zeal of the farmer commissioners. (3) The financial depression of the seventies checked railroad construction and made the West apprehensive lest too drastic restraints put a stop to new building altogether. (4) The rate wars of the late seventies resulted in the permanent lowering of freight charges.

By 1880, better prices for farm products, lower freight rates, the failure of many of the cooperatives, and the virtual disappearance of the Patrons of Husbandry all contributed to the general result. Finally, in 1886, in the case of the Wabash, St. Louis and Pacific Railroad Company *v.* Illinois, which had been decided by the Illinois courts along the lines of the Granger cases, the Supreme Court reversed the principle of the 1876 decisions; and once and for all declared that the states had no right to regulate interstate commerce or interfere with traffic moving across their borders. Their jurisdiction extended solely and exclusively over intrastate commerce; relief could come only through Congress in legislation of a national character. This was the immediate background for the passage of the Interstate Commerce Act of 1887.

Silver. The whole silver debate is significant for this reason: with the failure of the agitation for an expanding paper currency, silver became the chief reliance of the agrarians in their quest for cheap money and hence easier credit.

In 1873, after having debated the question in perfunctory fashion, Congress enacted a new mint act. Hidden away in a long and involved piece of legislation was a clause which, in effect, permitted the suspension of the minting of silver, for the statute omitted the silver dollar from the list of coins. This was largely due to the fact that, for the twenty years preceding 1873, silver had not been taken to the mints of the United States because its price was higher than the ratio of sixteen to one fixed by Congress in 1837. About this time, however, that is to say in the middle seventies, the silver production of the world began to increase with the discovery of new lodes in Colorado, Nevada, and Utah. Silver was no longer at a premium but was worth less than gold. In 1874, the ratio fell to 16.7 to 1; and in 1874, it was at 18 to 1. Now it became profitable to mint silver dollars; but when the possessors of silver bullion took their stock to Treasury offices they found that the law of 1873 had demonetized silver. Thus arose the outcry of "the crime of 1873"—for which there was no real evidence as far as the intention of Congress was concerned. Yet the subject became a favorite theme of silver orators and was used with telling effect among agrarian audiences; particularly this was so as it became plain that only through silver could currency expansion take place.

During the late seventies, the eighties, and the early nineties, almost every Congress was to see presented bills calling for the unlimited coinage of silver, first at the ratio of 16 to 1, and then, as silver dropped in value, at any ratio. Congress finally succeeded in writing two laws, one in 1878 and another in 1890, but both called for limited coinage. The Bland-Allison Act of 1878 provided that the Treasury was to buy up to four million dollars in silver bullion monthly, at the market price,

for coinage into dollars. Against these dollars, the Treasury was to issue silver certificates. During the twelve years that the law was in operation, the Treasury added $378,000,000 to the country's currency in this way.

Here the matter rested until 1890, when, as a result of continued agitation, the Sherman Silver Purchase Act was passed. This law was somewhat more liberal than its predecessor; for it authorized the Treasury to purchase monthly 4,500,000 ounces of silver bullion for coinage into dollars. The new act called for the issuance of Treasury certificates and not silver certificates, and these were to be treated as legal tender except for the payment of customs duties and interest on the public debt. Thus the law not only provided for more silver coinage but it placed gold and silver on a parity because the Treasury certificates, in view of the fact that they were full legal tender, could be redeemed in either gold or silver. The fact is, because of the continuing decline in the value of silver, for the three years of the law's operation the Treasury purchased the full output of American silver mines.

The repeal of the Silver Purchasing Act in 1893—largely because of the insistence of President Cleveland—once more led to a revival of the silver agitation. The demand for unlimited coinage, as well as many other of the monetary and banking ideas of the earlier agrarian parties, now became the concern of the Populists. These the Democratic party took over in 1896, and now the embattled farmers of the South and West really were in a position to challenge seriously the domination of industrial capitalism in the United States.

The Workers. Thus, the inferior position of the nation's farmers; the workers—organizationally, at any rate—fared no better. The Civil War brought no gains for the country's laboring populations. It is true that a series of national unions emerged: in 1861, the miners formed one; in 1862, the ironworkers; in 1863, locomotive engineers; in 1864, cigarmakers; and in 1865, carpenters, bricklayers, painters, heaters, and coachmakers. But the unions did not succeed in raising wages (indeed, as we have seen, real wages dropped during the Civil War); nor were they able to set up powerful national bodies. In consequence, workers in these trades were isolated and, because there had yet appeared no real machinery to make for successful collective bargaining, they quickly lost their solidarity. The depression of the seventies took a heavy toll of trade unionism; when it ended there were surviving only a half dozen national unions with a membership of less than 50,000.

Efforts to consolidate unions into a national confederation also were unsuccessful; the National Labor Union, the most important confederation, appeared in 1868 and by 1872 had disappeared. Its leadership was of the same reformist character that had sought to speak for the workers in the forties. Entering into politics as the National Labor Reform party, it spoke only with the tongue of agrarianism.

Knights of Labor. For about eight years—from 1878 to 1886—American labor had a spokesman. Through the Noble Order of the Knights of Labor, which became a powerful pressure group, workers were being urged to combine and to fight for improvement in working conditions and their release from the factory system. The Knights did not understand fully the benefits of trade unionism; rather, they accented cooperation and legislation. But they did articulate working-class needs and hopes; and they demonstrated that American workers could combine on a national scale.

The Knights of Labor had its beginnings in Philadelphia in 1869, when it appeared as a secret society made up of a handful of garment cutters. Its first leader was Uriah S. Stephens; its so-called local assemblies were organized on craft lines. As it penetrated into smaller communities, the assemblies became of a mixed character so that all producers—even small manufacturers—were welcomed into the fold. This, in fact, was the outstanding structural characteristic of the Knights:

it was "one-big-unionism" rather than "craft unionism" or "industrial unionism." Making an especial appeal to the unorganized and the unskilled—including women and Negroes—and possessing an effective ritual as a secret society, the Knights began to widen its influence.

In 1878 and 1879, it became a force to be reckoned with: for in these years it abandoned secrecy—largely at the prompting of the Catholic Church—set up its General Assembly, and chose Terence V. Powderly as its Grand Master Workman. From 1880 to 1886, the Order expanded enormously and in this latter year had 730,000 members.

But more and more the Knights was eschewing the tactics of a modern trade union movement. Powderly preached the doctrine of collaboration; gave his consent to strike activities only reluctantly; and never assisted the local assemblies in the establishment of strike funds or the payment of unemployment benefits. He stressed reform and utopianism rather than industrial struggle: the setting up of producers' cooperatives, government ownership of railroads, the abolition of national banks, and welfare legislation. As a pressure group, the Knights had considerable influence: it was instrumental in putting an end to the importation of foreign contract labor and in having established the office of the federal Commissioner of Labor. But it could not win strikes, and this led to an increasingly critical attitude on the part of the skilled craft workers. The Haymarket Affair of 1886—with which the Order was not in any way associated—also tended to undermine its prestige.

American Federation of Labor. The tardy support of the eight-hour agitation by the Knights of Labor leadership bitterly antagonized the more advanced workers. The Federation of Organized Trades and Labor Unions, made up largely of the skilled crafts, had appeared in 1881. It had demanded a general strike on May 1, 1886, to force the acceptance of the eight-hour day. Radicals helped in the formation of eight-hour associations in all the large cities, and the general strike brought out more than 200,000 workers all over the land. This success, and the gaining of the eight-hour day by many workers, weakened the Knights and strengthened the American Federation of Labor (which took this name in 1886 and replaced the earlier federation).

Led by Samuel Gompers, its first president, the American Federation of Labor appealed only to the skilled crafts. It taught the need for friendly benefits, strike funds, and constant agitation; it stressed voluntarism—gains through its own efforts and without the intervention of government; and it led strikes and won them. By 1900, the craft unions affiliated with the Federation, instead of succumbing before the depression, had a membership of half a million. Labor now had its own militant leadership; and for a short time it was able to challenge the supremacy of America's industrial capitalists.

5. *ISOLATIONIST AMERICA*

With the end of the Civil War, the aggressive expansionism, which had been so characteristic of American relations with the outside world in the fifty years preceding, now seemed happily terminated. Apparently, the American people were content with their conquest of the continental domain and were only too willing to devote all their energies to its settlement. Isolation became not only the chief characteristic of foreign policy; it was also a state of mind that the whole American people shared. The record of the years up to 1898 was not a distinguished one; but, at any rate, the United States had no designs on other peoples and it remained at peace with the world. Not that there were no voices raised calling upon the United States to fulfill its destiny and spread its message broadcast over the earth. But these counsels were of a sentimental nature. Another generation had to come to ma-

turity—the Mahans, Roosevelts, Lodges—before the American people were ready to embark on oversea adventures. American Presidents and their Secretaries of State were called upon to consider many problems. Some they handled with skill; in some they blundered badly. But, on balance, the United States emerged with the growing respect of all nations. We ended by being accepted as one of the Powers.

United States and Latin America. The first American Secretary of State to turn serious attention to Latin America was James G. Blaine, who held this post during March to November, 1881, in Garfield's administration. Blaine sought to employ the good offices of the United States for the purposes of preserving peace among the Latin American countries and to prevent foreign intervention. He was beginning to lay his plans for the meeting of a Pan American conference when Garfield's death led to his removal.

In 1889, once more in the State office, Blaine's scheme was carried out successfully. On October 2, 1889, there assembled at Washington the delegates from seventeen of the eighteen Latin American nations for the first Pan American Conference, with Blaine in the chair. The achievements of the conference were of no particular importance. It set up a Bureau of Information at Washington, which came to be called, subsequently, the Pan American Union; and it did talk, although without implementing these discussions, about the adoption of an arbitration convention. But it had created a pattern, and frequent meetings were to take place during the next half century. By the 1940s, so completely had the leadership of the United States been accepted, the nations of the Western Hemisphere were bound together in common programs of defense and political action.

United States and Great Britain. During the seventies, eighties, and nineties, the United States was less successful in its relations with Great Britain. There were many irritations, and at one point both countries trembled on the edge of war; yet the century's end was to see the two closer together than ever in their history.

There were many forces at work to prevent understanding. England's unfriendly attitude toward the North during the Civil War was not forgotten by postwar American politicians. The ceaseless agitation of the Irish Americans, living for the most part in the large cities and representing therefore influential political minorities, had its effect. "Twisting the lion's tail" became a common and safe diversion. America was isolationist and its schoolbooks, therefore, continued to harp on those earlier disagreements between Britain and the United States which had led to two wars and threatened many others. Nor did the toploftiness of the British travelers—who visited the United States briefly and returned to write unfriendly books—pass unnoticed. There was ill will on both sides of the ocean; and this found its public expression in four different controversies. Their settlement took a long time. We argued with the British over the control of an Isthmian canal; over our right to fish in Canadian waters; over the protection of seals in the Bering Sea; and over the Venezuelan boundary.

American Secretaries of State, worried over European interest in a Panama Canal, began to press England for a reconsideration of the Clayton-Bulwer Treaty of 1850. England stood pat; there were acrimonious exchanges; and it was not until 1902, when the Hay-Pauncefote treaty was ratified, that Britain definitely recognized United States primacy in the Western Hemisphere. Similarly, the two countries bickered over the right of Americans to fish in Canadian waters; in 1887 the President was given the power to close American ports to Canadian ships; and it was not until 1910 that a formal convention was written adjudicating this dispute.

In the settlement of the Bering Sea controversy, the United States came off with less success. The American government sought to prevent the indiscriminate slaughter of seals whose breeding grounds lay off the Alaskan

coast, but who also cruised far out into the waters of the Bering Sea. When Great Britain denied Blaine's claim in 1889 that the Bering Sea was a *mare clausum* and threatened to resist our revenue cutters, the time for arbitration had come. In 1893 an arbitral court found against the United States on every point. It was not until 1911 than an international convention was signed which put a stop to pelagic sealing for fifteen years; but by that time most of the damage had been done.

Venezuela Dispute. The Venezuelan boundary dispute almost precipitated a war between the two countries. The difficulty arose out of the long unsettled boundary between British Guiana and Venezuela. In 1887, diplomatic relations between Britain and Venezuela were broken off, and the good offices repeatedly tendered by the American State Department were refused. Suddenly the air was filled with war alarms. On December 17, 1895, Cleveland placed before Congress a series of notes that had been exchanged between Olney, his Secretary of State, and Salisbury, the English Foreign Minister; these indicated that both Powers had arrived at irreconcilable positions. Olney, in his note, gave a reading to the Monroe Doctrine that seriously upset Great Britain. He declared, first, that because of the Monroe Doctrine the United States must resist any designs on the territorial integrity of Venezuela; and second, that there was but one way of settling the difficulty—by peaceful arbitration. Olney went on to say that the continued presence of European powers in the Western Hemisphere must be regarded with disfavor by the United States. Why? Because the United States had now become a great Power and it was, therefore, "practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition."

President Cleveland, in submitting Olney's case to the American people, asked for Congressional approval for the establishment of an exclusive American agency to determine the true boundary between the disputants. Such a commission having done its work and rendered its report, then said the President: ". . . it will in my opinion be the duty of the United States to resist by every means in its power as a willful aggression . . . the appropriation by Great Britain of any lands or the exercise of governmental jurisdiction over any territory which after investigation we have determined of right belongs to Venezuela."

A war party immediately appeared to back up the President and to demand force if necessary if England failed to submit to these terms. But wiser counsels in time prevailed. Englishmen, on their part, were learning that their country, embarked on many dubious adventures throughout the world, had no friends. And when the German Kaiser threatened to back up the Boers in their resistance to British expansionism in South Africa, the time had come for softer words. In January, 1896, Cleveland appointed his Venezuelan boundary commission, and the English cooperated fully. In the next year, a treaty was signed, referring the entire dispute to an arbitral tribunal; the arbitrators met in Paris in 1899, and they handed down a series of decisions which largely supported the original British contentions. Henceforth, relations between the two powers steadily improved.

United States and the Pacific. During this period, American interests in the Pacific were becoming increasingly the concern of American Secretaries of State. The Far West was turning its eyes across the wide expanses of the ocean as American missionary, shipping, and business groups were penetrating into the islands lying across it. We appeared in Samoa, challenging the effort of the Germans to establish their domination over the islands; and, finally, in December, 1899, we signed a treaty under which we obtained exclusive control of the island of Tutuila in the group. American insular possessions in the Pacific were further rounded out by the acquisition of Wake Island and Midway Island, both situated in the northern Pacific and valuable as naval stations.

Hawaii. More particularly, our concerns centered in the Hawaiian Islands, where Amer-

icans had appeared early in the nineteenth century as missionaries, traders, and whale fishermen. By the 1850s, the sons of these Americans were playing an important part in the economic life of the islands as sugar growers; and they had joined hands with the sugar refiners located on the Pacific Coast. In 1875, the Hawaiian sugar planters gained an important victory when a treaty of reciprocity was signed between the islands and the United States by which Hawaiian sugar was admitted free. In 1884, the treaty was renewed and, in return, Hawaii gave the United States exclusive rights to maintain a naval station at Pearl Harbor. But in 1890, Americans in Hawaii were thrown into a panic when all sugar was placed on the free list with, however, a bounty of two cents to American growers. In one year the price of Hawaiian sugar was cut in half. To American planters in the islands and American sugar refiners on the mainland, only one thing could save the distressed industry and that was American annexation.

There can be no doubt that many of the disorders which occurred in Hawaii during the 1870s and 1880s had the support of the small group of influential Americans who were seeking to force annexation upon the Hawaiian Government. In 1891, with the ascension to the throne of Queen Liliuokalani, who was suspicious of the foreigners, the whole controversy boiled over. The foreign interests in the islands, headed by Sanford B. Dole, the native-born son of an American missionary, organized a Committee of Safety and moved against the monarchy. The American minister recognized the new provisional government that was set up and a Hawaiian commission appeared in Washington in February, 1893, and proceeded to sign a treaty annexing Hawaii to the United States.

When Cleveland assumed the presidency, in the next month, suspecting the machinations of the American group, he withdrew the treaty from the Senate and sent his own commissioner to investigate the events leading to the revolution. In 1894, before Cleveland could act, a republic was proclaimed in Hawaii and Dole was named its first president. Cleveland at once wrote a formal letter of recognition and in this he was quickly followed by the other great Powers. But efforts at annexation persisted, and, in June, 1897, McKinley, still fresh in office, ordered the signing of a new treaty of annexation with the island republic. Many influential Americans were averse to what smacked of an unsavory adventure in expansionism and they succeeded in having the treaty rejected in the Senate. In the midst of the War with Spain, however, Congress passed a joint resolution annexing the islands to the United States, and in July, 1898, Hawaii was American. In 1900, Hawaii received the full status of a territory and was given the right to establish a territorial legislature and a judicial machinery.

The Territory of Alaska. During the Civil War, the Russian Czar had been distinctly friendly to the Northern cause and when, in March, 1867, the Russian minister at Washington offered to sell the whole of Alaska to the United States, Secretary of State Seward accepted the proposal with alacrity. The purchase price was fixed at $7,200,000 and, although there was a good deal of hostility in the Senate, the treaty was ratified. From 1867 to 1884, Alaska was popularly referred to as "Seward's Folly" and was consistently neglected by American political leaders and businessmen. No effort at the establishment of a formal government was made; the revenues derived from its seal fisheries were so small that the cost of policing the region seemed an extravagance to many. By the eighties, there were only 1,000 white residents in the whole country.

In 1884, however, Congress passed a law giving Alaska some rudiments of civil government. It was not until 1896, with the discovery of gold on the Canadian side of the boundary, that Americans began to troop into the region in large numbers. Soon gold was discovered in the area around Nome; and by the end of the decade more than 50,000 prospectors had

rushed into Alaska. The gold craze was followed by others—copper, coal, and oil—and Congress became interested. Beginning with 1898, Congress began to enact legislation covering such matters as transportation, homesteading, and civil and criminal codes. In the next decade, the opening up of Alaska's coal fields brought a number of powerful American corporations into the territory. It was not until 1912, however, that Alaska was given territorial status with a legislative assembly and civil officers of its own.

The New Navy. These decades also saw the United States emerging for the first time since the War of 1812 as an important naval Power. In line with its pacific intentions and its insularity, America refused to profit from the lessons it had learned in naval construction as a result of the Civil War, so that the American naval establishment languished.

But Blaine was concerned over America's long and undefended Pacific coast line, as he was interested in Panama and Hawaii; and he influenced fellow Cabinet members. Garfield's Secretary of the Navy called Congress's attention to the low estate to which the navy had sunk; and so did his successor. To this last Congress yielded and in 1883 it proceeded to authorize the construction of the first warships of the new American navy. The Secretary of Navy was given the funds with which to construct four steel vessels in American yards, Congress taking the precaution to provide that these vessels be outfitted "with full sail power and full steam power." These four warships, which by our modern standards were little craft, the largest having a displacement of but 4,500 tons, formed the nucleus of that White Squadron which became more and more impressive with the succeeding years.

In 1886, the first armored warship was authorized; in 1890, America's initial first-class battleship was laid down. An interesting sidelight on the American psychology of the period was furnished by the designation of these new warships as "sea-going, coastline battleships." By 1900, the United States was a naval Power, with a fleet (launched, in building, or authorized) of fifteen battleships of the first class, one battleship of the second class, five armored cruisers, one armored ram, and a miscellany of smaller craft. The cost of this whole fleet was approximately $275,000,000—not much more than twice the cost of a single present-day battleship. Only Great Britain's and France's fleets outranked America's as the twentieth century opened. And with Great Britain now friendly, the Atlantic and, to an extent, the Pacific as well, were being dominated by the American fleet.

These were some of the problems that concerned a growing America as it moved from a mercantile to an industrial economy, and as it took its place among the great nations of the world. The clouds that appeared from time to time on our horizons were small and were quickly dissipated; there were no hesitancies or doubts as the American nation contemplated its future.

THE AMERICAN MIND

WALT WHITMAN

By 1871, Walt Whitman (1819–1892) was only beginning to be the object of a cult. Since the appearance of the first edition of *Leaves of Grass* in 1855, Whitman had seen the backwash of war in the Washington hospitals. He had known criticism, disregard, and admiration for his work. He lost his clerkship for the offense of having written an "indecent" book; and then he passed into comparative retirement, spending his time writing and observing the America that was moving through the war years into the Gilded Age.

In *Democratic Vistas* (1871), Whitman gives his view of that transitional period. Three elements went to make up his democratic faith: the Jeffersonian version of the individualistic philosophy of the Enlightenment; the notion of comradeship; and the transcendentalism of Emerson. Whitman was an individualist, but to this he added the notion of "merging." The merging of selves is elevated by Whitman into the union of the Ego in the All; and, in keeping with the tradition of romantic idealism, all history is seen as the progressive realization of an Idea—in the case of Whitman, "the idea of perfect and free individuals."

Democratic Vistas incorporates many of these notions, but at the same time that it expresses its confidence in America, it calls attention to the responsibilities of Americans. These United States are destined to surmount the gorgeous feudal past, "or else prove the most tremendous failure of all time." There may be little evidence of greatness in the present, but America belongs to the future and in that future Whitman will have faith whether immediate fact justifies that or not.

That attitude was entirely natural in Whitman: he had been young in the experimental thirties and forties; his mind had been shaped by the experience as well as the ebullience of those years. He had seen the United States mature industrially as it pushed westward to the sea; he had seen the nation come through a great war unharmed.

American democracy had been successful on the material plane; what it lacked was moral bottom. And that could be provided only by a true literature, for Whitman accepted the idea of the poet as prophet. Of all the arts, literature alone still influences men's actions and above all countries these United States needed a sound common literature to nurture unity. Nothing in the existing American literature answered that need, in Whitman's opinion. America grows and prospers, puts down enemies and conquers a continent, yet it will not see that it is in itself "the final authority and reliance." The development of a common literature alone would not suffice, however. The United States must have a more general diffusion of the ownership of property if true democracy was to be realized, for the Union would be knit "by the safety and endurance of its middling property owners."

Whitman did not see his world through a pink mist; he was aware of danger. American political figures were small men, by and large. Individuals were self-seeking and communities corrupt; the full fruition of democracy was in the future. Yet democracy was working and there was joy in being tossed in "the brave turmoil of these times."

The selection here reprinted is from *Democratic Vistas* (New York, 1871); the notes are by Whitman himself.

Democratic Vistas

BY WALT WHITMAN

IT MAY BE CLAIM'D, (and I admit the weight of the claim,) that common and general worldly prosperity, and a populace well-to-do, and with all life's material comforts, is the main thing, and is enough. It may be argued that our republic is, in performance, really enacting to-day the grandest arts, poems, &c., by beating up the wilderness into fertile farms, and in her railroads, ships, machinery, &c. And it may be ask'd, Are these not better, indeed, for America, than any utterances even of greatest rhapsode, artist, or literatus?

I too hail those achievements with pride and joy: then answer that the soul of man will not with such only—nay, not with such at all—be finally satisfied; but needs what, (standing on these and on all things, as the feet stand on the ground,) is address'd to the loftiest, to itself alone.

Out of such considerations, such truths, arises for treatment in these Vistas the important question of character, of an American stock-personality, with literatures and arts for outlets and return-expressions, and, of course, to correspond, within outlines common to all. To these, the main affair, the thinkers of the United States, in general so acute, have either given feeblest attention, or have remain'd, and remain, in a state of somnolence.

For my part, I would alarm and caution even the political and business reader, and to the utmost extent, against the prevailing delusion that the establishment of free political institutions, and plentiful intellectual smartness, with general good order, physical plenty, industry, &c., (desirable and precious advantages as they all are,) do, of themselves, determine and yield to our experiment of democracy the fruitage of success. With such advantages at present fully, or almost fully, possess'd—the Union just issued, victorious, from the struggle with the only foes it need ever fear, (namely, those within itself, the interior ones,) and with unprecedented materialistic advancement—society, in these States, is canker'd, crude, superstitious, and rotten. Political, or law-made society is, and private, or voluntary society, is also. In any vigor, the element of the moral conscience, the most important, the verteber to State or man, seems to me either entirely lacking, or seriously enfeebled or ungrown.

I say we had best look our times and lands searchingly in the face, like a physician diagnosing some deep disease. Never was there, perhaps, more hollowness at heart than at present, and here in the United States. Genuine belief seems to have left us. The underlying principles of the States are not honestly believ'd in, (for all this hectic glow, and these melo-dramatic screamings,) nor is humanity itself believ'd in. What penetrating eye does not everywhere see through the mask? The spectacle is appaling. We live in an atmosphere of hypocrisy throughout. The men believe not in the women, nor the women in the men. A scornful superciliousness rules in literature. The aim of all the *littérateurs* is to find something to make fun of. A lot of churches, sects, &c., the most dismal phantasms I know, usurp the name of religion. Conversation is a mass of badinage. From deceit in the spirit, the mother of all false deeds, the offspring is already incalculable. An acute and candid person, in the revenue department in Washington, who is led by the course of his employment to regularly visit the cities, north, south and west, to investigate frauds, has talk'd much with me about his discoveries. The depravity of the business classes of our country is not less than has been supposed, but infinitely greater. The official services of America, national, state, and municipal, in all their branches and departments, except the judiciary, are saturated in corruption, bribery, falsehood, mal-administration; and the judiciary is tainted. The great cities reek with respectable as much as non-respectable robbery and scoundrelism. In fashionable life, flippancy, tepid amours, weak infidelism, small aims, or no aims at all, only to kill time. In business, (this all-devouring modern word, business,) the one sole object is, by any means, pecuniary gain. The magician's serpent in the fable ate up all the other serpents; and money-making is our magician's serpent, remaining to-day sole master of the field. The best class we show, is but a mob of fashionably dress'd speculators and vulgarians. True, indeed, behind this fantastic farce, enacted on the visible stage of society, solid things and stupendous labors are to be discover'd, existing crudely and going on in the background, to advance and tell themselves in time. Yet the truths are none the less terrible. I say that our New World democracy, however great a success in uplifting the masses out of their sloughs, in materialistic development, products, and in a certain highly-deceptive superficial popular intellectuality, is, so far, an almost complete failure in its social aspects, and in really grand religious, moral, literary, and esthetic results. In

vain do we march with unprecedented strides to empire so colossal, outvying the antique, beyond Alexander's, beyond the proudest sway of Rome. In vain have we annex'd Texas, California, Alaska, and reached north for Canada and south for Cuba. It is as if we were somehow being endow'd with a vast and more and more thoroughly-appointed body, and then left with little or no soul.

Let me illustrate further, as I write, with current observations, localities, &c. The subject is important, and will bear repetition. After an absence, I am now again (September, 1870) in New York city and Brooklyn, on a few weeks' vacation. The splendor, picturesqueness, and oceanic amplitude and rush of these great cities, the unsurpass'd situation, rivers and bay, sparkling sea-tides, costly and lofty new buildings, façades of marble and iron, of original grandeur and elegance of design, with the masses of gay color, the preponderance of white and blue, the flags flying, the endless ships, the tumultuous streets, Broadway, the heavy, low, musical roar, hardly ever intermitted, even at night; the jobbers' houses, the rich shops, the wharves, the great Central Park, and the Brooklyn Park of hills, (as I wander among them this beautiful fall weather, musing, watching, absorbing)—the assemblages of the citizens in their groups, conversations, trades, evening amusements, or along the by-quarters—these, I say, and the like of these, completely satisfy my senses of power, fulness, motion, &c., and give me, through such senses and appetites, and through my esthetic conscience, a continued exaltation and absolute fulfilment. Always and more and more, as I cross the East and North rivers, the ferries, or with the pilots in their pilot-houses, or pass an hour in Wall street, or the gold exchange, I realize, (if we must admit such partialisms,) that not Nature alone is great in her fields of freedom and the open air, in her storms, the shows of night and day, the mountains, forests, seas—but in the artificial, the work of man too is equally great—in this profusion of teeming humanity—in these ingenuities, streets, goods, houses, ships—these hurrying, feverish, electric crowds of men, their complicated business genius, (not least among the geniuses,) and all this mighty, many-threaded wealth and industry concentrated here.

But sternly discarding, shutting our eyes to the glow and grandeur of the general superficial effect, coming down to what is of the only real importance, Personalities, and examining minutely, we question, we ask, Are there, indeed, *men* here worthy the name? Are there athletes? Are there perfect women, to match the generous material luxuriance? Is there a pervading atmosphere of beautiful manners? Are there crops of fine youths, and majestic old persons? Are there arts worthy freedom and a rich people? Is there a great moral and religious civilization—the only justification of a great material one? Confess that to severe eyes, using the moral microscope upon humanity, a sort of dry and flat Sahara appears, these cities, crowded with petty grotesques, malformations, phantoms, playing meaningless antics. Confess that everywhere, in shop, street, church, theatre, bar-room, official chair, are pervading flippancy and vulgarity, low cunning, infidelity—everywhere the youth puny, impudent, foppish, prematurely ripe—everywhere an abnormal libidinousness, unhealthy forms, male, female, painted, padded, dyed, chignon'd, muddy complexions, bad blood, the capacity for good motherhood deceasing or deceas'd, shallow notions of beauty, with a range of manners, or rather lack of manners, (considering the advantages enjoy'd,) probably the meanest to be seen in the world.[1]

Of all this, and these lamentable conditions, to breathe into them the breath recuperative of sane and heroic life, I say a new founded literature, not merely to copy and reflect existing surfaces, or pander to what is called taste—not only to amuse, pass away time, celebrate the beautiful, the refined, the past, or exhibit technical, rhythmic, or grammatical dexterity—but a literature underlying life, religious, consistent with science, handling the elements and forces with competent power, teaching and training men—and, as perhaps the most precious of its results, achieving the entire redemption of woman out of these incredible holds and webs of silliness, millinery, and every kind of dyspeptic depletion—and thus insuring to the States a strong and sweet Female Race, a race of perfect Mothers—is what is needed.

[1] Of these rapidly-sketch'd hiatuses, the two which seem to me most serious are, for one, the condition, absence, or perhaps the singular abeyance, of moral conscientious fibre all through American society; and, for another, the appaling depletion of women in their powers of sane athletic maternity, their crowning attribute, and ever making the woman, in loftiest spheres, superior to the man.

I have sometimes thought, indeed, that the sole avenue and means of a reconstructed sociology depended, primarily, on a new birth, elevation, expansion, invigoration of woman, affording, for races to come, (as the conditions that antedate birth are indispensable,) a perfect motherhood. Great, great, indeed, far greater than they know, is the sphere of women. But doubtless the question of such new sociology all goes together, includes many varied and complex influences and premises, and the man as well as the woman, and the woman as well as the man.

And now, in the full conception of these facts and points, and all that they infer, pro and con—with yet unshaken faith in the elements of the American masses, the composites, of both sexes, and even consider'd as individuals—and ever recognizing in them the broadest bases of the best literary and esthetic appreciation—I proceed with my speculations, Vistas.

First, let us see what we can make out of a brief, general, sentimental consideration of political democracy, and whence it has arisen, with regard to some of its current features, as an aggregate, and as the basic structure of our future literature and authorship. We shall, it is true, quickly and continually find the origin-idea of the singleness of man, individualism, asserting itself, and cropping forth, even from the opposite ideas. But the mass, or lump character, for imperative reasons, is to be even carefully weigh'd, borne in mind, and provided for. Only from it, and from its proper regulation and potency, comes the other, comes the chance of individualism. The two are contradictory, but our task is to reconcile them.[2]

The political history of the past may be summ'd up as having grown out of what underlies the words, order, safety, caste, and especially out of the need of some prompt deciding authority, and of cohesion at all cost. Leaping time, we come to the period within the memory of people now living, when, as from some lair where they had slumber'd long, accumulating wrath, sprang up and are yet active, (1790, and on even to the present, 1870,) those noisy eructations, destructive iconoclasms, a fierce sense of wrongs, amid which moves the form, well known in modern history, in the old world, stain'd with much blood, and mark'd by savage reactionary clamors and demands. These bear, mostly, as on one inclosing point of need.

For after the rest is said—after the many time-honor'd and really true things for subordination, experience, rights of property; &c., have been listen'd to and acquiesced in—after the valuable and well-settled statement of our duties and relations in society is thoroughly conn'd over and exhausted—it remains to bring forward and modify everything else with the idea of that Something a man is, (last precious consolation of the drudging poor,) standing apart from all else, divine in his own right, and a woman in hers, sole and untouchable by any canons of authority, or any rule derived from precedent, state-safety, the acts of legislatures, or even from what is called religion, modesty, or art. The radiation of this truth is the key of the most significant doings of our immediately preceding three centuries, and has been the political genesis and life of America. Advancing visibly, it still more advances invisibly. Underneath the fluctuations of the expressions of society, as well as the movements of the politics of the leading nations of the world, we see steadily pressing ahead and strengthening itself, even in the midst of immense tendencies toward aggregation, this image of completeness in separatism, of individual personal dignity, of a single person, either male or female, characterized in the main, not from extrinsic acquirements or position, but in the pride of himself or herself alone; and, as an eventual conclusion and summing up, (or else the entire scheme of things is aimless, a cheat, a crash,) the simple idea that the last, best dependence is to be upon humanity itself, and its own inherent, normal, full-grown qualities, without any superstitious support whatever. This idea of perfect individualism it is indeed that deepest tinges and gives character to the idea of the aggregate. For it is mainly or altogether to serve independent separatism that we favor a strong generalization, consolidation. As it is to give the best vitality and freedom to the rights of the States, (every bit as important as the right of nationality, the union,) that we insist on the identity of the Union at all hazards.

The purpose of democracy—supplanting old belief in the necessary absoluteness of establish'd dynastic rulership, temporal, ecclesiastical, and scholastic, as furnishing the only security against chaos, crime, and ignorance—is, through many transmigrations, and amid endless ridicules, arguments, and ostensible failures, to illustrate, at all hazards, this doctrine or theory that man, properly train'd in sanest, highest freedom, may and must become a law, and series of laws, unto himself, surrounding and providing for, not only his own personal control, but all his relations to other individuals, and to the State; and that, while other theories, as in the past histories of nations, have proved wise enough, and indispensable perhaps for their conditions, *this*, as matters now stand in our civilized world, is the only scheme worth working from, as warranting results like those of

[2] The question hinted here is one which time only can answer. Must not the virtue of modern Individualism, continually enlarging, usurping all, seriously affect, perhaps keep down entirely, in America, the like of the ancient virtue of Patriotism, the fervid and absorbing love of general country? I have no doubt myself that the two will merge, and will mutually profit and brace each other, and that from them a greater product, a third, will arise. But I feel that at present they and their oppositions form a serious problem and paradox in the United States.

Nature's laws, reliable, when once establish'd, to carry on themselves.

The argument of the matter is extensive, and, we admit, by no means all on one side. What we shall offer will be far, far from sufficient. But while leaving unsaid much that should properly even prepare the way for the treatment of this many-sided question of political liberty, equality, or republicanism—leaving the whole history and consideration of the feudal plan and its products, embodying humanity, its politics and civilization, through the retrospect of past time, (which plan and products, indeed, make up all of the past, and a large part of the present)—leaving unanswer'd, at least by any specific and local answer, many a well-wrought argument and instance, and many a conscientious declamatory cry and warning—as, very lately, from an eminent and venerable person abroad [3]—things, problems, full of doubt, dread, suspense, (not new to me, but old occupiers of many an anxious hour in city's din, or night's silence,) we still may give a page or so, whose drift is opportune. Time alone can finally answer these things. But as a substitute in passing, let us, even if fragmentarily, throw forth a short direct or indirect suggestion of the premises of that other plan, in the new spirit, under the new forms, started here in our America.

As to the political section of Democracy, which introduces and breaks ground for further and vaster sections, few probably are the minds, even in these republican States, that fully comprehend the aptness of that phrase, "THE GOVERNMENT OF THE PEOPLE, BY THE PEOPLE, FOR THE PEOPLE," which we inherit from the lips of Abraham Lincoln; a formula whose verbal shape is homely wit, but whose scope includes both the totality and all minutiæ of the lesson.

The People! Like our huge earth itself, which, to ordinary scansion, is full of vulgar contradictions and offence, man, viewed in the lump, displeases, and is a constant puzzle and affront to the merely educated classes. The rare, cosmical, artist-mind, lit with the Infinite, alone confronts his manifold and oceanic qualities—but taste, intelligence and culture, (so-called,) have been against the masses, and remain so. There is plenty of glamour about the most damnable crimes and hoggish meannesses, special and general, of the feudal and dynastic world over there, with its *personnel* of lords and queens and courts, so well-dress'd and so handsome. But the People are ungrammatical, untidy, and their sins gaunt and ill-bred.

Literature, strictly consider'd, has never recognized the People, and, whatever may be said, does not to-day. Speaking generally, the tendencies of literature, as hitherto pursued, have been to make mostly critical and querulous men. It seems as if, so far, there were some natural repugnance between a literary and professional life, and the rude rank spirit of the democracies. There is, in later literature, a treatment of benevolence, a charity business, rife enough it is true; but I know nothing more rare, even in this country, than a fit scientific estimate and reverent appreciation of the People—of their measureless wealth of latent power and capacity, their vast, artistic contrasts of lights and shades—with, in America, their entire reliability in emergencies, and a certain breadth of historic grandeur, of peace or war, far surpassing all the vaunted samples of book-heroes, or any *haut ton* coteries, in all the records of the world.

The movements of the late secession war, and their results, to any sense that studies well and comprehends them, show that popular democracy, whatever its faults and dangers, practically justifies itself beyond the proudest claims and wildest hopes of its enthusiasts. Probably no future age can know, but I well know, how the gist of this fiercest and most resolute of the world's war-like contentions resided exclusively in the unnamed, unknown rank and file; and how the brunt of its labor of death was, to all essential purposes, volunteer'd. The People, of their own choice, fighting, dying for their own idea, insolently attack'd by the secession-slave-power, and its very existence imperil'd. Descending to detail, entering any of the armies, and mixing with the private soldiers, we see and have seen august spectacles. We have seen the alacrity with which the American-born populace, the peaceablest and most good-natured race in the world, and the most personally independent and intelligent, and the least fitted to submit to the irksomeness and exasperation of regimental discipline, sprang, at the first tap of the drum, to arms—not for gain, nor even glory, nor to repel invasion—but for an emblem, a mere abstraction—for the life, *the*

[3] "SHOOTING NIAGARA."—I was at first roused to much anger and abuse by this essay from Mr. Carlyle, so insulting to the theory of America—but happening to think afterwards how I had more than once been in the like mood, during which his essay was evidently cast, and seen persons and things in the same light, (indeed some might say there are signs of the same feeling in these Vistas)—I have since read it again, not only as a study, expressing as it does certain judgments from the highest feudal point of view, but have read it with respect as coming from an earnest soul, and as contributing certain sharp-cutting metallic grains, which, if not gold or silver, may be good, hard, honest iron.

safety of the flag. We have seen the unequal'd docility and obedience of these soldiers. We have seen them tried long and long by hopelessness, mismanagement, and by defeat; have seen the incredible slaughter toward or through which the armies (as at first Fredericksburg, and afterward at the Wilderness,) still unhesitatingly obey'd orders to advance. We have seen them in trench, or crouching behind breastwork, or tramping in deep mud, or amid pouring rain or thick-falling snow, or under forced marches in hottest summer (as on the road to get to Gettysburg)—vast suffocating swarms, divisions, corps, with every single man so grimed and black with sweat and dust, his own mother would not have known him —his clothes all dirty, stain'd and torn, with sour, accumulated sweat for perfume—many a comrade, perhaps a brother, sun-struck, staggering out, dying, by the roadside, of exhaustion—yet the great bulk bearing steadily on, cheery enough, hollow-bellied from hunger, but sinewy with unconquerable resolution.

We have seen this race proved by wholesale by drearier, yet more fearful tests—the wound, the amputation, the shatter'd face or limb, the slow hot fever, long impatient anchorage in bed, and all the forms of maiming, operation and disease. Alas! America have we seen, though only in her early youth, already to hospital brought. There have we watch'd these soldiers, many of them only boys in years—mark'd their decorum, their religious nature and fortitude, and their sweet affection. Wholesale, truly. For at the front, and through the camps, in countless tents, stood the regimental, brigade and division hospitals; while everywhere amid the land, in or near cities, rose clusters of huge, white-wash'd, crowded, one-story wooden barracks; and there ruled agony with bitter scourge, yet seldom brought a cry; and there stalk'd death by day and night along the narrow aisles between the rows of cots, or by the blankets on the ground, and touch'd lightly many a poor sufferer, often with blessed, welcome touch.

I know not whether I shall be understood, but I realize that it is finally from what I learn'd personally mixing in such scenes that I am now penning these pages. One night in the gloomiest period of the war, in the Patent-office hospital in Washington city, as I stood by the bedside of a Pennsylvania soldier, who lay, conscious of quick approaching death, yet perfectly calm, and with noble, spiritual manner, the veteran surgeon, turning aside, said to me, that though he had witness'd many, many deaths of soldiers, and had been a worker at Bull Run, Antietam, Fredericksburg, &c., he had not seen yet the first case of man or boy that met the approach of dissolution with cowardly qualms or terror. My own observation fully bears out the remark.

What have we here, if not, towering above all talk and argument, the plentifully-supplied, last-needed proof of democracy, in its personalities? Curiously enough, too, the proof on this point comes, I should say, every bit as much from the south, as from the north. Although I have spoken only of the latter, yet I deliberately include all. Grand, common stock! to me the accomplish'd and convincing growth, prophetic of the future; proof undeniable to sharpest sense, of perfect beauty, tenderness and pluck, that never feudal lord, nor Greek, nor Roman breed, yet rival'd. Let no tongue ever speak in disparagement of the American races, north or south, to one who has been through the war in the great army hospitals.

Meantime, general humanity, (for to that we return, as, for our purposes, what it really is, to bear in mind,) has always, in every department, been full of perverse maleficence, and is so yet. In downcast hours the soul thinks it always will be —but soon recovers from such sickly moods. I myself see clearly enough the crude, defective streaks in all the strata of the common people; the specimens and vast collections of the ignorant, the credulous, the unfit and uncouth, the incapable, and the very low and poor. The eminent person just mention'd sneeringly asks whether we expect to elevate and improve a nation's politics by absorbing such morbid collections and qualities therein. The point is a formidable one, and there will doubtless always be numbers of solid and reflective citizens who will never get over it. Our answer is general, and is involved in the scope and letter of this essay. We believe the ulterior object of political and all other government, (having, of course, provided for the police, the safety of life, property, and for the basic statute and common law, and their administration, always first in order,) to be among the rest, not merely to rule, to repress disorder, &c., but to develop, to open up to cultivation, to encourage the possibilities of all beneficent and manly outcroppage, and of that aspiration for independence, and the pride and self-respect latent in all characters. (Or, if there be exceptions, we cannot, fixing our eyes on them alone, make theirs the rule for all.)

I say the mission of government, henceforth, in civilized lands, is not repression alone, and not authority alone, not even of law, nor by that favorite standard of the eminent writer, the rule of the best men, the born heroes and captains of the race, (as if such ever, or one time out of a hun-

dred, get into the big places, elective or dynastic) —but higher than the highest arbitrary rule, to train communities through all their grades, beginning with individuals and ending there again, to rule themselves. What Christ appear'd for in the moral-spiritual field for human-kind, namely, that in respect to the absolute soul, there is in the possession of such by each single individual, something so transcendent, so incapable of gradations, (like life,) that, to that extent, it places all beings on a common level, utterly regardless of the distinctions of intellect, virtue, station, or any height or lowliness whatever—is tallied in like manner, in this other field, by democracy's rule that men, the nation, as a common aggregate of living identities, affording in each a separate and complete subject for freedom, worldly thrift and happiness, and for a fair chance for growth, and for protection in citizenship, &c., must, to the political extent of the suffrage or vote, if no further, be placed, in each and in the whole, on one broad, primary, universal, common platform.

The purpose is not altogether direct; perhaps it is more indirect. For it is not that democracy is of exhaustive account, in itself. Perhaps, indeed, it is, (like Nature,) of no account in itself. It is that, as we see, it is the best, perhaps only, fit and full means, formulator, general caller-forth, trainer, for the million, not for grand material personalities only, but for immortal souls. To be a voter with the rest is not so much; and this, like every institute, will have its imperfections. But to become an enfranchised man, and now, impediments removed, to stand and start without humiliation, and equal with the rest; to commence, or have the road clear'd to commence, the grand experiment of development, whose end, (perhaps requiring several generations,) may be the forming of a full-grown man or woman—that *is* something. To ballast the State is also secured, and in our times is to be secured, in no other way.

We do not, (at any rate I do not,) put it either on the ground that the People, the masses, even the best of them, are, in their latent or exhibited qualities, essentially sensible and good—nor on the ground of their rights; but that good or bad, rights or no rights, the democratic formula is the only safe and preservative one for coming times. We endow the masses with the suffrage for their own sake, no doubt; then, perhaps still more, from another point of view, for community's sake. Leaving the rest to the sentimentalists, we present freedom as sufficient in its scientific aspect, cold as ice, reasoning, deductive, clear and passionless as crystal.

Democracy too is law, and of the strictest, amplest kind. Many suppose, (and often in its own ranks the error,) that it means a throwing aside of law, and running riot. But, briefly, it is the superior law, not alone that of physical force, the body, which, adding to, it supersedes with that of the spirit. Law is the unshakable order of the universe forever; and the law over all, and law of laws, is the law of successions; that of the superior law, in time, gradually supplanting and overwhelming the inferior one. (While, for myself, I would cheerfully agree—first covenanting that the formative tendencies shall be administer'd in favor, or at least not against it, and that this reservation be closely construed—that until the individual or community show due signs, or be so minor and fractional as not to endanger the State, the condition of authoritative tutelage may continue, and self-government must abide its time.) Nor is the esthetic point, always an important one, without fascination for highest aiming souls. The common ambition strains for elevations, to become some privileged exclusive. The master sees greatness and health in being part of the mass; nothing will do as well as common ground. Would you have in yourself the divine, vast, general law? Then merge yourself in it.

And, topping democracy, this most alluring record, that it alone can bind, and ever seeks to bind, all nations, all men, of however various and distant lands, into a brotherhood, a family. It is the old, yet ever-modern dream of earth, out of her eldest and her youngest, her fond philosophers and poets. Not that half only, individualism, which isolates. There is another half, which is adhesiveness or love, that fuses, ties and aggregates, making the races comrades, and fraternizing all. Both are to be vitalized by religion, (sole worthiest elevator of man or State,) breathing into the proud, material tissues, the breath of life. For I say at the core of democracy, finally, is the religious element. All the religions, old and new, are there. Nor may the scheme step forth, clothed in resplendent beauty and command, till these, bearing the best, the latest fruit, the spiritual, shall fully appear. . . .

The true gravitation-hold of liberalism in the United States will be a more universal ownership of property, general homesteads, general comfort —a vast, intertwining reticulation of wealth. As the human frame, or, indeed, any object in this manifold universe, is best kept together by the simple miracle of its own cohesion, and the necessity, exercise and profit thereof, so a great and varied nationality, occupying millions of square miles, were firmest held and knit by the principle of the safety and endurance of the aggregate of its

middling property owners. So that, from another point of view, ungracious as it may sound, and a paradox after what we have been saying, democracy looks with suspicious, ill-satisfied eye upon the very poor, the ignorant, and on those out of business. She asks for men and women with occupations, well-off, owners of houses and acres, and with cash in the bank—and with some cravings for literature, too; and must have them, and hastens to make them. Luckily, the seed is already well-sown, and has taken ineradicable root.[4]

Huge and mighty are our days, our republican lands—and most in their rapid shiftings, their changes, all in the interest of the cause. . . .

Political democracy, as it exists and practically works in America, with all its threatening evils, supplies a training-school for making first-class men. It is life's gymnasium, not of good only, but of all. We try often, though we fall back often. A brave delight, fit for freedom's athletes, fills these arenas, and fully satisfies, out of the action in them, irrespective of success. Whatever we do not attain, we at any rate attain the experiences of the fight, the hardening of the strong campaign, and throb with currents of attempt at least. Time is ample. Let the victors come after us. Not for nothing does evil play its part among us. Judging from the main portions of the history of the world, so far, justice is always in jeopardy, peace walks amid hourly pitfalls, and of slavery, misery, meanness, the craft of tyrants and the credulity of the populace, in some of their protean forms, no voice can at any time say, They are not. The clouds break a little, and the sun shines out—but soon and certain the lowering darkness falls again, as if to last forever. Yet is there an immortal courage and prophecy in every sane soul that cannot, must not, under any circumstances, capitulate. *Vive*, the attack—the perennial assault! *Vive*, the unpopular cause—the spirit that audaciously aims —the never-abandon'd efforts, pursued the same amid opposing proofs and precedents. . . .

[4] For fear of mistake, I may as well distinctly specify, as cheerfully included in the model and standard of these Vistas, a practical, stirring, worldly, money-making, even materialistic character. It is undeniable that our farms, stores, offices, dry-goods, coal and groceries, enginery, cash-accounts, trades, earnings, markets, &c., should be attended to in earnest, and actively pursued, just as if they had a real and permanent existence. I perceive clearly that the extreme business energy, and this almost maniacal appetite for wealth prevalent in the United States, are parts of amelioration and progress, indispensably needed to prepare the very results I demand. My theory includes riches, and the getting of riches, and the amplest products, power, activity, inventions, movements, &c. Upon them, as upon substrata, I raise the edifice design'd in these Vistas.

HENRY GEORGE

PROPER CURRENCY POLICIES might secure national prosperity according to some reasoning, but Henry George (1839–1897) was convinced that more fundamental factors must be considered before government policy touched the springs of economic action. George had grown up in a Philadelphia mechanic's household in the years following the panic of 1837. He had learned the printer's trade and then gone to sea. In California, he saw the swift passing of a seller's market for labor as land was bought up and the railroads brought an increased supply of workers into the state. His own experience in trying to make a California newspaper successful without the service of the Associated Press set George thinking about monopoly; his observation of conditions in California pushed him further along that path.

In a pamphlet called *Our Land and Land Policy* (1871), George expressed his view of the causes for the decline of labor's position on the Pacific Coast. He left for the East, where he arrived in time to experience the first shock of the panic of 1873 and the first years of the depression that followed. Not long after the riotous outbreaks on the nation's railroads in 1877, George set about the task of broadening his earlier work on the causes of society's present and evident ills. *Progress and Poverty* was completed in March, 1879, and published at the turn of the year, after George himself had paid for making the plates. Though no publisher would risk bringing the book out, *Progress and Poverty* went through four editions between January and November, 1880, and soon joined *Uncle Tom's Cabin* on the brief list of American books which have had genuine international influence. Through his book and his work as a correspondent in Ireland during the disorders of the early eighties, George became widely

known in labor circles. When court action against union activity—the conviction for conspiracy of a group of waiters for boycotting an employer after an unsuccessful strike—sent the New York labor movement into politics in 1886, Henry George became labor's candidate for mayor. The fact that it needed the best available Democrat, Abram S. Hewitt, and the united opposition of the press to beat George for that office, encouraged him to become head of a United Labor party in the next campaign. Thereafter, he was a constantly recurring figure in insurgent political movements.

In *Progress and Poverty*, George discovered the classical theory of rent for himself and made it the basis of a scheme for social regeneration. Since land is a natural monopoly, every increase in knowledge and population increases rent at the expense of wages and interest. As land is necessary to the production of wealth, the control of land is equivalent to the control of "all the fruits of labor save enough to allow labor to exist." Speculation in land produces depression, makes the rich richer and the poor poorer, and is responsible for the fact that each improvement in production means an increase in human misery.

Nothing less than an end to the monopoly of land can halt the inevitable growth of poverty as the world progresses. Land must be recognized as common property. For this, there need be no violent expropriation; nothing is required beyond a reform in fiscal policy, the abolition of all taxes save a levy on economic rent. Since it is security in the possession of improvements rather than security of complete ownership which makes men develop land, there is no need to fear that the introduction of the single tax would hinder enterprise. Only speculation would be checked. There would be no need for mechanics to strike if the single tax was in operation, for they would have a recourse to farming if their trades did not pay; there would be no demand for protective tariffs or other modes of government intervention in economic life. Once the community had recaptured the value it had created, men could be left to mind their own concerns. For Henry George had as much dislike of the "State superstition" as William Graham Sumner himself: "Whatever savors of regulation and restriction is in itself bad," George wrote. "Society is an organism not a machine."

The selections are from the 1911 edition of *Progress and Poverty* and are published by permission of Doubleday and Company, Inc.

Progress and Poverty

BY HENRY GEORGE

INTRODUCTORY: THE PROBLEM

THE PRESENT CENTURY has been marked by a prodigious increase in wealth-producing power. The utilization of steam and electricity, the introduction of improved processes and labor-saving machinery, the greater subdivision and grander scale of production, the wonderful facilitation of exchanges, have multiplied enormously the effectiveness of labor.

At the beginning of this marvelous era it was natural to expect, and it was expected, that labor-saving inventions would lighten the toil and improve the condition of the laborer; that the enormous increase in the power of producing wealth would make real poverty a thing of the past. Could a man of the last century—a Franklin or a Priestley—have seen, in a vision of the future, the steamship taking the place of the sailing vessel, the railroad train of the wagon, the reaping machine of the scythe, the threshing machine of the flail; could he have heard the throb of the engines that in obedience to human will, and for the satisfaction of human desire, exert a power greater than that of all the men and all the beasts of burden of the earth combined; could he have seen the forest tree transformed into finished lumber—into doors, sashes, blinds, boxes or barrels, with hardly the touch of a human hand; the great workshops where boots and shoes are turned out by the case with less labor than the old-fashioned cobbler could have put on a sole; the factories where, under the eye of a girl, cotton becomes cloth faster than hundreds of stal-

ward weavers could have turned it out with their handlooms; could he have seen steam hammers shaping mammoth shafts and mighty anchors, and delicate machinery making tiny watches; the diamond drill cutting through the heart of the rocks, and coal oil sparing the whale; could he have realized the enormous saving of labor resulting from improved facilities of exchange and communication—sheep killed in Australia eaten fresh in England, and the order given by the London banker in the afternoon executed in San Francisco in the morning of the same day; could he have conceived of the hundred thousand improvements which these only suggest, what would he have inferred as to the social condition of mankind?

It would not have seemed like an inference; further than the vision went it would have seemed as though he saw; and his heart would have leaped and his nerves would have thrilled, as one who from a height beholds just ahead of the thirst-stricken caravan the living gleam of rustling woods and the glint of laughing waters. Plainly, in the sight of the imagination, he would have beheld these new forces elevating society from its very foundations, lifting the very poorest above the possibility of want, exempting the very lowest from anxiety for the material needs of life; he would have seen these slaves of the lamp of knowledge taking on themselves the traditional curse, these muscles of iron and sinews of steel making the poorest laborer's life a holiday, in which every high quality and noble impulse could have scope to grow.

And out of these bounteous material conditions he would have seen arising, as necessary sequences, moral conditions realizing the golden age of which mankind have always dreamed. Youth no longer stunted and starved; age no longer harried by avarice; the child at play with the tiger; the man with the muck-rake drinking in the glory of the stars! Foul things fled, fierce things tame; discord turned to harmony! For how could there be greed where all had enough? How could the vice, the crime, the ignorance, the brutality, that spring from poverty and the fear of poverty, exist where poverty had vanished? Who should crouch where all were freemen; who oppress where all were peers?

More or less vague or clear, these have been the hopes, these the dreams born of the improvements which give this wonderful century its preeminence. They have sunk so deeply into the popular mind as radically to change the currents of thought, to recast creeds and displace the most fundamental conceptions. The haunting visions of higher possibilities have not merely gathered splendor and vividness, but their direction has changed—instead of seeing behind the faint tinges of an expiring sunset, all the glory of the daybreak has decked the skies before.

It is true that disappointment has followed disappointment, and that discovery upon discovery, and invention after invention, have neither lessened the toil of those who most need respite, nor brought plenty to the poor. But there have been so many things to which it seemed this failure could be laid, that up to our time the new faith has hardly weakened. We have better appreciated the difficulties to be overcome; but not the less trusted that the tendency of the times was to overcome them.

Now, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilized world come complaints of industrial depression; of labor condemned to involuntary idleness; of capital massed and wasting; of pecuniary distress among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen, maddening anguish, that to great masses of men are involved in the words "hard times," afflict the world to-day. This state of things, common to communities differing so widely in situation, in political institutions, in fiscal and financial systems, in density of population and in social organization, can hardly be accounted for by local causes. There is distress where large standing armies are maintained, but there is also distress where the standing armies are nominal; there is distress where protective tariffs stupidly and wastefully hamper trade, but there is also distress where trade is nearly free; there is distress where autocratic government yet prevails, but there is also distress where political power is wholly in the hands of the people; in countries where paper is money, and in countries where gold and silver are the only currency. Evidently, beneath all such things as these, we must infer a common cause.

That there is a common cause, and that it is either what we call material progress or something closely connected with material progress, becomes more than an inference when it is noted that the phenomena we class together and speak of as industrial depression are but intensifications of phenomena which always accompany material progress, and which show themselves more clearly and strongly as material progress goes on. Where the conditions to which material progress everywhere tends are most fully realized—that is to say, where population is densest, wealth greatest, and the machinery of production and exchange most highly developed—we find the deepest pov-

erty, the sharpest struggle for existence, and the most of enforced idleness.

It is to the newer countries—that is, to the countries where material progress is yet in its earlier stages—that laborers emigrate in search of higher wages, and capital flows in search of higher interest. It is in the older countries—that is to say, the countries where material progress has reached later stages—that widespread destitution is found in the midst of the greatest abundance. Go into one of the new communities where Anglo-Saxon vigor is just beginning the race of progress; where the machinery of production and exchange is yet rude and inefficient; where the increment of wealth is not yet great enough to enable any class to live in ease and luxury; where the best house is but a cabin of logs or a cloth and paper shanty, and the richest man is forced to daily work—and though you will find an absence of wealth and all its concomitants, you will find no beggars. There is no luxury, but there is no destitution. No one makes an easy living, nor a very good living; but every one *can* make a living, and no one able and willing to work is oppressed by the fear of want.

But just as such a community realizes the conditions which all civilized communities are striving for, and advances in the scale of material progress—just as closer settlement and a more intimate connection with the rest of the world, and greater utilization of labor-saving machinery, make possible greater economies in production and exchange, and wealth in consequence increases, not merely in the aggregate, but in proportion to population—so does poverty take a darker aspect. Some get an infinitely better and easier living, but others find it hard to get a living at all. The "tramp" comes with the locomotive, and almshouses and prisons are as surely the marks of "material progress" as are costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas and patrolled by uniformed policemen, beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.

This fact—the great fact that poverty and all its concomitants show themselves in communities just as they develop into the conditions toward which material progress tends—proves that the social difficulties existing wherever a certain stage of progress has been reached, do not arise from local circumstances, but are, in some way or another, engendered by progress itself.

And, unpleasant as it may be to admit it, it is at last becoming evident that the enormous increase in productive power which has marked the present century and is still going on with accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. It simply widens the gulf between Dives and Lazarus, and makes the struggle for existence more intense. The march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed. But in factories where labor-saving machinery has reached its most wonderful development, little children are at work; wherever the new forces are anything like fully utilized, large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts; while everywhere the greed of gain, the worship of wealth, shows the force of the fear of want. The promised land flies before us like the mirage. The fruits of the tree of knowledge turn as we grasp them to apples of Sodom that crumble at the touch.

It is true that wealth has been greatly increased, and that the average of comfort, leisure, and refinement has been raised; but these gains are not general. In them the lowest class do not share.[1] I do not mean that the condition of the lowest class has nowhere nor in anything been improved; but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in nowise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay, more, that it is still further to depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down.

This depressing effect is not generally realized, for it is not apparent where there has long existed a class just able to live. Where the lowest class barely lives, as has been the case for a

[1] It is true that the poorest may now in certain ways enjoy what the richest a century ago could not have commanded, but this does not show improvement of condition so long as the ability to obtain the necessaries of life is not increased. The beggar in a great city may enjoy many things from which the backwoods farmer is debarred, but that does not prove the condition of the city beggar better than that of the independent farmer.

long time in many parts of Europe, it is impossible for it to get any lower, for the next lowest step is out of existence, and no tendency to further depression can readily show itself. But in the progress of new settlements to the conditions of older communities it may clearly be seen that material progress does not merely fail to relieve poverty—it actually produces it. In the United States it is clear that squalor and misery, and the vices and crimes that spring from them, everywhere increase as the village grows to the city, and the march of development brings the advantages of the improved methods of production and exchange. It is in the older and richer sections of the Union that pauperism and distress among the working classes are becoming most painfully apparent. If there is less deep poverty in San Francisco than in New York, is it not because San Francisco is yet behind New York in all that both cities are striving for? When San Francisco reaches the point where New York now is, who can doubt that there will also be ragged and barefooted children on her streets?

This association of poverty with progress is the great enigma of our times. It is the central fact from which spring industrial, social, and political difficulties that perplex the world, and with which statesmanship and philanthropy and education grapple in vain. From it come the clouds that overhang the future of the most progressive and self-reliant nations. It is the riddle which the Sphinx of Fate puts to our civilization, and which not to answer is to be destroyed. So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury and make sharper the contrast between the House of Have and the House of Want, progress is not real and cannot be permanent. The reaction must come. The tower leans from its foundations, and every new story but hastens the final catastrophe. To educate men who must be condemned to poverty, is but to make them restive; to base on a state of most glaring social inequality political institutions under which men are theoretically equal, is to stand a pyramid on its apex.

All-important as this question is, pressing itself from every quarter painfully upon attention, it has not yet received a solution which accounts for all the facts and points to any clear and simple remedy. This is shown by the widely varying attempts to account for the prevailing depression. They exhibit not merely a divergence between vulgar notions and scientific theories, but also show that the concurrence which should exist between those who avow the same general theories breaks up upon practical questions into an anarchy of opinion. Upon high economic authority we have been told that the prevailing depression is due to over-consumption; upon equally high authority, that it is due to over-production; while the wastes of war, the extension of railroads, the attempts of workmen to keep up wages, the demonetization of silver, the issues of paper money, the increase of labor-saving machinery, the opening of shorter avenues to trade, etc., are separately pointed out as the cause, by writers of reputation.

And while professors thus disagree, the ideas that there is a necessary conflict between capital and labor, that machinery is an evil, that competition must be restrained and interest abolished, that wealth may be created by the issue of money, that it is the duty of government to furnish capital or to furnish work, are rapidly making way among the great body of the people, who keenly feel a hurt and are sharply conscious of a wrong. Such ideas, which bring great masses of men, the repositories of ultimate political power, under the leadership of charlatans and demagogues, are fraught with danger; but they cannot be successfully combated until political economy shall give some answer to the great question which shall be consistent with all her teachings, and which shall commend itself to the perceptions of the great masses of men.

It must be within the province of political economy to give such an answer. For political economy is not a set of dogmas. It is the explanation of a certain set of facts. It is the science which, in the sequence of certain phenomena, seeks to trace mutual relations and to identify cause and effect, just as the physical sciences seek to do in other sets of phenomena. It lays its foundations upon firm ground. The premises from which it makes its deductions are truths which have the highest sanction; axioms which we all recognize; upon which we safely base the reasoning and actions of every-day life, and which may be reduced to the metaphysical expression of the physical law that motion seeks the line of least resistance—viz., that men seek to gratify their desires with the least exertion. Proceeding from a basis thus assured, its processes, which consist simply in identification and separation, have the same certainty. In this sense it is as exact a science as geometry, which, from similar truths relative to space, obtains its conclusions by similar means, and its conclusions when valid should be as self-apparent. And although in the domain of political economy we cannot test our theories by artificially produced combinations or conditions, as may be done in some of the other sciences, yet we

can apply tests no less conclusive, by comparing societies in which different conditions exist, or by, in imagination, separating, combining, adding or eliminating forces or factors of known direction.

I propose in the following pages to attempt to solve by the methods of political economy the great problem I have outlined. I propose to seek the law which associates poverty with progress, and increases want with advancing wealth; and I believe that in the explanation of this paradox we shall find the explanation of those recurring seasons of industrial and commercial paralysis which, viewed independently of their relations to more general phenomena, seem so inexplicable. Properly commenced and carefully pursued, such an investigation must yield a conclusion that will stand every test, and as truth, will correlate with all other truth. For in the sequence of phenomena there is no accident. Every effect has a cause, and every fact implies a preceding fact.

That political economy, as at present taught, does not explain the persistence of poverty amid advancing wealth in a manner which accords with the deep-seated perceptions of men; that the unquestionable truths which it does teach are unrelated and disjointed; that it has failed to make the progress in popular thought that truth, even when unpleasant, must make; that, on the contrary, after a century of cultivation, during which it has engrossed the attention of some of the most subtle and powerful intellects, it should be spurned by the statesman, scouted by the masses, and relegated in the opinion of many educated and thinking men to the rank of a pseudo-science in which nothing is fixed or can be fixed—must, it seems to me, be due not to any inability of the science when properly pursued, but to some false step in its premises, or overlooked factor in its estimates. And as such mistakes are generally concealed by the respect paid to authority, I propose in this inquiry to take nothing for granted, but to bring even accepted theories to the test of first principles, and should they not stand the test, freshly to interrogate facts in the endeavor to discover their law.

I propose to beg no question, to shrink from no conclusion, but to follow truth wherever it may lead. Upon us is the responsibility of seeking the law, for in the very heart of our civilization to-day women faint and little children moan. But what that law may prove to be is not our affair. If the conclusions that we reach run counter to our prejudices, let us not flinch; if they challenge institutions that have long been deemed wise and natural, let us not turn back.

Book VIII, Chapter II: How Equal Rights to the Land May Be Asserted and Secured

We have traced the want and suffering that everywhere prevail among the working classes, the recurring paroxysms of industrial depression, the scarcity of employment, the stagnation of capital, the tendency of wages to the starvation point, that exhibit themselves more and more strongly as material progress goes on, to the fact that the land on which and from which all must live is made the exclusive property of some.

We have seen that there is no possible remedy for these evils but the abolition of their cause; we have seen that private property in land has no warrant in justice, but stands condemned as the denial of natural right—a subversion of the law of nature that as social development goes on must condemn the masses of men to a slavery the hardest and most degrading.

We have weighed every objection, and seen that neither on the ground of equity or expediency is there anything to deter us from making land common property by confiscating rent.

But a question of method remains. How shall we do it?

We should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit, under such conditions as would sacredly guard the private right to improvements.

Thus we should secure, in a more complex state of society, the same equality of rights that in a ruder state were secured by equal partitions of the soil, and by giving the use of the land to whoever could procure the most from it, we should secure the greatest production.

Such a plan, instead of being a wild, impracticable vagary, has (with the exception that he suggests compensation to the present holders of land —undoubtedly a careless concession which he upon reflection would reconsider) been indorsed by no less eminent a thinker than Herbert Spencer, who ("Social Statics," Chap. IX, Sec. 8) says of it:

"Such a doctrine is consistent with the highest state of civilization; may be carried out without involving a community of goods, and need cause no very serious revolution in existing arrangements. The change required would simply be a change of landlords. Separate ownership would merge into the joint-stock ownership of the public. Instead of being in the possession of individuals, the country would be held by the great cor-

porate body—society. Instead of leasing his acres from an isolated proprietor, the farmer would lease them from the nation. Instead of paying his rent to the agent of Sir John or his Grace, he would pay it to an agent or deputy agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure. A state of things so ordered would be in perfect harmony with the moral law. Under it all men would be equally landlords, all men would be alike free to become tenants. . . . Clearly, therefore, on such a system, the earth might be enclosed, occupied and cultivated, in entire subordination to the law of equal freedom."

But such a plan, though perfectly feasible, does not seem to me the best. Or rather I propose to accomplish the same thing in a simpler, easier, and quieter way, than that of formally confiscating all the land and formally letting it out to the highest bidders.

To do that would involve a needless shock to present customs and habits of thought—which is to be avoided.

To do that would involve a needless extension of governmental machinery—which is to be avoided.

It is an axiom of statesmanship, which the successful founders of tyranny have understood and acted upon—that great changes can best be brought about under old forms. We, who would free men, should heed the same truth. It is the natural method. When nature would make a higher type, she takes a lower one and develops it. This, also, is the law of social growth. Let us work by it. With the current we may glide fast and far. Against it, it is hard pulling and slow progress.

I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second, needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call *their* land. Let them continue to call it *their* land. Let them buy and sell, and bequeath and devise it. We may safely leave them the shell, if we take the kernel. *It is not necessary to confiscate land; it is only necessary to confiscate rent.*

Nor to take rent for public uses is it necessary that the State should bother with the letting of lands, and assume the chances of the favoritism, collusion, and corruption this might involve. It is not necessary that any new machinery should be created. The machinery already exists. Instead of extending it, all we have to do is to simplify and reduce it. By leaving to land owners a percentage of rent which would probably be much less than the cost and loss involved in attempting to rent lands through State agency, and by making use of this existing machinery, we may, without jar or shock, assert the common right to land by taking rent for public uses.

We already take some rent in taxation. We have only to make some changes in our modes of taxation to take it all.

What I, therefore, propose, as the simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilization to yet nobler heights, is—*to appropriate rent by taxation.*

In this way the State may become the universal landlord without calling herself so, and without assuming a single new function. In form, the ownership of land would remain just as now. No owner of land need be dispossessed, and no restriction need be placed upon the amount of land any one could hold. For, rent being taken by the State in taxes, land, no matter in whose name it stood, or in what parcels it was held, would be really common property, and every member of the community would participate in the advantages of its ownership.

Now, insomuch as the taxation of rent, or land values, must necessarily be increased just as we abolish other taxes, we may put the proposition into practical form by proposing—

To abolish all taxation save that upon land values.

As we have seen, the value of land is at the beginning of society nothing, but as society develops by the increase of population and the advance of the arts, it becomes greater and greater. In every civilized country, even the newest, the value of the land taken as a whole is sufficient to bear the entire expenses of government. In the better developed countries it is much more than sufficient. Hence it will not be enough merely to place all taxes upon the value of land. It will be necessary, where rent exceeds the present governmental revenues, commensurately to increase the amount demanded in taxation, and to continue this increase as society progresses and rent advances. But this is so natural and easy a matter, that it may be considered as involved, or at least understood, in the proposition to put all taxes on the value of land. That is the first step, upon which the practical struggle must be made. When the hare is once caught and killed, cooking him will follow as a matter of course. When the common right to land is so far appreciated that all

taxes are abolished save those which fall upon rent, there is no danger of much more than is necessary to induce them to collect the public revenues being left to individual land holders.

Experience has taught me (for I have been for some years endeavoring to popularize this proposition) that wherever the idea of concentrating all taxation upon land values finds lodgment sufficient to induce consideration, it invariably makes way, but that there are few of the classes most to be benefited by it, who at first, or even for a long time afterward, see its full significance and power. It is difficult for workingmen to get over the idea that there is a real antagonism between capital and labor. It is difficult for small farmers and homestead owners to get over the idea that to put all taxes on the value of land would be unduly to tax them. It is difficult for both classes to get over the idea that to exempt capital from taxation would be to make the rich richer, and the poor poorer. These ideas spring from confused thought. But behind ignorance and prejudice there is a powerful interest, which has hitherto dominated literature, education, and opinion. A great wrong always dies hard, and the great wrong which in every civilized country condemns the masses of men to poverty and want, will not die without a bitter struggle. . . .

WILLIAM GRAHAM SUMNER

OF THE MANY courageous spirits who combined to bring the doctrine of evolution to America, John Fiske (1842–1901) became the most popular. His *Outlines of Cosmic Philosophy*, completed in 1874, and his lectures—notably *The Idea of God as Affected by Modern Knowledge* (1885)—proved to his audiences what they wanted to hear: their beliefs were not destroyed but, on the contrary, were reinforced by the teachings of modern biological science. Fiske sought to demonstrate that the highest development of man's spiritual qualities was the actual goal of the evolutionary process. Hence, the doctrine of evolution returned man to his position of headship in the universe and made God more intimately a part of that universe than He had been. Science (Spencerian science, it may be said parenthetically) buttressed true religion.

William Graham Sumner (1840–1910) pushed the Spencerian analysis into the area of social arrangements: laissez faire, private property, and individualism were the final achievements of societal evolution. A man knew his own business better than any government could, and a man's success in business was the measure of his efficiency and hence of his social worth. Accordingly, Sumner attacked all forms of state and associational intervention.

The introduction of machine production has unified the modern industrial world and held out the promise of plenty; that system of production, not political revolutions or philosophical constructs, has changed society. Economists have failed in their duty, Sumner told the New York Free Trade Club in 1879; their inability to agree among themselves has given intellectual respectability to the nonsense which afflicts the world. Instead of uniting against heresies in finance and errors in social policy, the economists are no more ready than the ignorant to face the fact that industrial life is a struggle in which the fit survive. If protection of the unfit should succeed, it would operate only to arrest necessary changes in financial methods and industrial processes. Since freedom for change is characteristic of the present advancing system of social relations, the implication is evident.

In 1883, in his *What Social Classes Owe to Each Other*, Sumner put his position clearly and vigorously. It is a classic statement in defense of nonintervention. As a result of long struggle, society has raised itself from the rigidity of "status" to the free flexibility of "contract." That change has given the exceptional individual the opportunity to advance; it has shifted responsibility from the group to the individual. There were no classes, consequently; certainly there were no groups to whom anything was owed by some other group. Individuals simply owed each other "good-will, mutual respect, and mutual guarantees of liberty and security."

But legislation could not dictate good-will and justice was a matter of right, not favor.

The "forgotten man," however, was Sumner's concern. The "forgotten man" was the solid, middle-class citizen who minded his business, paid his bills, and was ignored by everyone but the tax-collector. If society owed anyone a duty, it was to this "forgotten man," and society could best fulfill its obligation by making property secure and government as cheap as might be consistent with the achievement of that security.

Sumner worked in other fields with equal distinction. He was a close student of American banking; he wrote biographies of Robert Morris, Andrew Jackson, and Alexander Hamilton; and he made a remarkable collection of anthropological data on the origin and evolution of social institutions—one of the most important works in American anthropology—called *Folkways* (Boston, 1907).

The selection here reprinted is from the original edition of *What Social Classes Owe to Each Other* (New York, 1883).

What Social Classes Owe to Each Other

BY WILLIAM GRAHAM SUMNER

Introduction

We are told every day that great social problems stand before us and demand a solution, and we are assailed by oracles, threats, and warnings in reference to those problems. There is a school of writers who are playing quite a *rôle* as the heralds of the coming duty and the coming woe. They assume to speak for a large, but vague and undefined, constituency, who set the task, exact a fulfilment, and threaten punishment for default. The task or problem is not specifically defined. Part of the task which devolves on those who are subject to the duty is to define the problem. They are told only that something is the matter: that it behooves them to find out what it is, and how to correct it, and then to work out the cure. All this is more or less truculently set forth.

After reading and listening to a great deal of this sort of assertion I find that the question forms itself with more and more distinctness in my mind: Who are those who assume to put hard questions to other people and to demand a solution of them? How did they acquire the right to demand that others should solve their world-problems for them? Who are they who are held to consider and solve all questions, and how did they fall under this duty?

So far as I can find out what the classes are who are respectively endowed with the rights and duties of posing and solving social problems, they are as follows: Those who are bound to solve the problems are the rich, comfortable, prosperous, virtuous, respectable, educated, and healthy; those whose right it is to set the problems are those who have been less fortunate or less successful in the struggle for existence. The problem itself seems to be, How shall the latter be made as comfortable as the former? To solve this problem, and make us all equally well off, is assumed to be the duty of the former class; the penalty, if they fail of this, is to be bloodshed and destruction. If they cannot make everybody else as well off as themselves, they are to be brought down to the same misery as others.

During the last ten years I have read a great many books and articles, especially by German writers, in which an attempt has been made to set up "the State" as an entity having conscience, power, and will sublimated above human limitations, and as constituting a tutelary genius over us all. I have never been able to find in history or experience anything to fit this concept. I once lived in Germany for two years, but I certainly saw nothing of it there then. Whether the State which Bismarck is moulding will fit the notion is at best a matter of faith and hope. My notion of the State has dwindled with growing experience of life. As an abstraction, the State is to me only All-of-us. In practice—that is, when it exercises will or adopts a line of action—it is only a little group of men chosen in a very hap-hazard way by the majority of us to perform certain services for all of us. The majority do not go about their selection very rationally, and they are almost always disappointed by the results of their own operation. Hence "the State," instead of offering resources of wisdom, right reason, and pure moral sense beyond what the average of us possess, generally offers much less of all those things. Furthermore, it often turns out in practice that "the State" is not even the known and ac-

credited servants of the State, but, as has been well said, is only some obscure clerk, hidden in the recesses of a Government bureau, into whose power the chance has fallen for the moment to pull one of the stops which control the Government machine. In former days it often happened that "the State" was a barber, a fiddler, or a bad woman. In our day it often happens that "the State" is a little functionary on whom a big functionary is forced to depend.

I cannot see the sense of spending time to read and write observations, such as I find in the writings of many men of great attainments and of great influence, of which the following might be a general type: If the statesmen could attain to the requisite knowledge and wisdom, it is conceivable that the State might perform important regulative functions in the production and distribution of wealth, against which no positive and sweeping theoretical objection could be made from the side of economic science; but statesmen never can acquire the requisite knowledge and wisdom.—To me this seems a mere waste of words. The inadequacy of the State to regulative tasks is agreed upon, as a matter of fact, by all. Why, then, bring State regulation into the discussion simply in order to throw it out again? The whole subject ought to be discussed and settled aside from the hypothesis of State regulation.

The little group of public servants who, as I have said, constitute the State, when the State determines on anything, could not do much for themselves or anybody else by their own force. If they do anything, they must dispose of men, as in an army, or of capital, as in a treasury. But the army, or police, or *posse comitatus*, is more or less All-of-us, and the capital in the treasury is the product of the labor and saving of All-of-us. Therefore, when the State means power-to-do it means All-of-us, as brute force or as industrial force.

If anybody is to benefit from the action of the State it must be Some-of-us. If, then, the question is raised, What ought the State to do for labor, for trade, for manufactures, for the poor, for the learned professions? etc., etc.—that is, for a class or an interest—it is really the question, What ought All-of-us to do for Some-of-us? But Some-of-us are included in All-of-us, and, so far as they get the benefit of their own efforts, it is the same as if they worked for themselves, and they may be cancelled out of All-of-us. Then the question which remains is, What ought Some-of-us to do for Others-of-us? or, What do social classes owe to each other?

I now propose to try to find out whether there is any class in society which lies under the duty and burden of fighting the battles of life for any other class, or of solving social problems for the satisfaction of any other class; also, whether there is any class which has the right to formulate demands on "society"—that is, on other classes; also, whether there is anything but a fallacy and a superstition in the notion that "the State" owes anything to anybody except peace, order, and the guarantees of rights.

I have in view, throughout the discussion, the economic, social, and political circumstances which exist in the United States.

Chapter I

It is commonly asserted that there are in the United States no classes, and any allusion to classes is resented. On the other hand, we constantly read and hear discussions of social topics in which the existence of social classes is assumed as a simple fact. "The poor," "the weak," "the laborers," are expressions which are used as if they had exact and well-understood definition. Discussions are made to bear upon the assumed rights, wrongs, and misfortunes of certain social classes; and all public speaking and writing consists, in a large measure, of the discussion of general plans for meeting the wishes of classes of people who have not been able to satisfy their own desires. These classes are sometimes discontented, and sometimes not. Sometimes they do not know that anything is amiss with them until the "friends of humanity" come to them with offers of aid. Sometimes they are discontented and envious. They do not take their achievements as a fair measure of their rights. They do not blame themselves or their parents for their lot, as compared with that of other people. Sometimes they claim that they have a right to everything of which they feel the need for their happiness on earth. To make such a claim against God or Nature would, of course, be only to say that we claim a right to live on earth if we can. But God and Nature have ordained the chances and conditions of life on earth once for all. The case cannot be reopened. We cannot get a revision of the laws of human life. We are absolutely shut up to the need and duty, if we would learn how to live happily, of investigating the laws of Nature, and deducing the rules of right living in the world as it is. These are very wearisome and commonplace tasks. They consist in labor and self-denial repeated over and over again in learning and doing. When the people whose claims we are considering are told to apply themselves to these tasks they become irritated and feel almost insulted. They formulate their claims

as rights against society—that is, against some other men. In their view they have a right, not only to *pursue* happiness, but to *get* it; and if they fail to get it, they think they have a claim to the aid of other men—that is, to the labor and self-denial of other men—to get it for them. They find orators and poets who tell them that they have grievances, so long as they have unsatisfied desires.

. . . Certain ills belong to the hardship of human life. They are natural. They are part of the struggle with Nature for existence. We cannot blame our fellow-men for our share of these. My neighbor and I are both struggling to free ourselves from these ills. The fact that my neighbor has succeeded in this struggle better than I constitutes no grievance for me. Certain other ills are due to the malice of men, and to the imperfections or errors of civil institutions. These ills are an object of agitation, and a subject of discussion. The former class of ills is to be met only by manly effort and energy; the latter may be corrected by associated effort. The former class of ills is constantly grouped and generalized, and made the object of social schemes. We shall see, as we go on, what that means. The second class of ills may fall on certain social classes, and reform will take the form of interference by other classes in favor of that one. The last fact is, no doubt, the reason why people have been led, not noticing distinctions, to believe that the same method was applicable to the other class of ills. The distinction here made between the ills which belong to the struggle for existence and those which are due to the faults of human institutions is of prime importance.

It will also be important, in order to clear up our ideas about the notions which are in fashion, to note the relation of the economic to the political significance of assumed duties of one class to another. That is to say, we may discuss the question whether one class owes duties to another by reference to the economic effects which will be produced on the classes and society; or we may discuss the political expediency of formulating and enforcing rights and duties respectively between the parties. In the former case we might assume that the givers of aid were willing to give it, and we might discuss the benefit or mischief of their activity. In the other case we must assume that some at least of those who were forced to give aid did so unwillingly. Here, then, there would be a question of rights. The question whether voluntary charity is mischievous or not is one thing; the question whether legislation which forces one man to aid another is right and wise, as well as economically beneficial, is quite another question. Great confusion and consequent error is produced by allowing these two questions to become entangled in the discussion. Especially we shall need to notice the attempts to apply legislative methods of reform to the ills which belong to the order of Nature.

There is no possible definition of "a poor man." A pauper is a person who cannot earn his living; whose producing powers have fallen positively below his necessary consumption; who cannot, therefore, pay his way. A human society needs the active co-operation and productive energy of every person in it. A man who is present as a consumer, yet who does not contribute either by land, labor, or capital to the work of society, is a burden. On no sound political theory ought such a person to share in the political power of the State. He drops out of the ranks of workers and producers. Society must support him. It accepts the burden, but he must be cancelled from the ranks of the rulers likewise. So much for the pauper. About him no more need be said. But he is not the "poor man." The "poor man" is an elastic term, under which any number of social fallacies may be hidden.

Neither is there any possible definition of "the weak." Some are weak in one way, and some in another; and those who are weak in one sense are strong in another. In general, however, it may be said that those whom humanitarians and philanthropists call the weak are the ones through whom the productive and conservative forces of society are wasted. They constantly neutralize and destroy the finest efforts of the wise and industrious, and are a dead-weight on the society in all its struggles to realize any better things. Whether the people who mean no harm, but are weak in the essential powers necessary to the performance of one's duties in life, or those who are malicious and vicious, do the more mischief, is a question not easy to answer.

Under the names of the poor and the weak, the negligent, shiftless, inefficient, silly, and imprudent are fastened upon the industrious and prudent as a responsibility and a duty. On the one side, the terms are extended to cover the idle, intemperate, and vicious, who, by the combination, gain credit which they do not deserve, and which they could not get if they stood alone. On the other hand, the terms are extended to include wage-receivers of the humblest rank, who are degraded by the combination. The reader who desires to guard himself against fallacies should always scrutinize the terms "poor" and "weak" as used, so as to see which or how

many of these classes they are made to cover.

The humanitarians, philanthropists, and reformers, looking at the facts of life as they present themselves, find enough which is sad and unpromising in the condition of many members of society. They see wealth and poverty side by side. They note great inequality of social position and social chances. They eagerly set about the attempt to account for what they see, and to devise schemes for remedying what they do not like. In their eagerness to recommend the less fortunate classes to pity and consideration they forget all about the rights of other classes; they gloss over all the faults of the classes in question, and they exaggerate their misfortunes and their virtues. They invent new theories of property, distorting rights and perpetrating injustice, as any one is sure to do who sets about the re-adjustment of social relations with the interests of one group distinctly before his mind, and the interests of all other groups thrown into the background. When I have read certain of these discussions I have thought that it must be quite disreputable to be respectable, quite dishonest to own property, quite unjust to go one's own way and earn one's own living, and that the only really admirable person was the good-for-nothing. The man who by his own effort raises himself above poverty appears, in these discussions, to be of no account. The man who has done nothing to raise himself above poverty finds that the social doctors flock about him, bringing the capital which they have collected from the other class, and promising him the aid of the State to give him what the other had to work for. In all these schemes and projects the organized intervention of society through the State is either planned or hoped for, and the State is thus made to become the protector and guardian of certain classes. The agents who are to direct the State action are, of course, the reformers and philanthropists. Their schemes, therefore, may always be reduced to this type—that A and B decide what C shall do for D. It will be interesting to inquire, at a later period of our discussion, who C is, and what the effect is upon him of all these arrangements. In all the discussions attention is concentrated on A and B, the noble social reformers, and on D, the "poor man." I call C the Forgotten Man, because I have never seen that any notice was taken of him in any of the discussions. When we have disposed of A, B, and D we can better appreciate the case of C, and I think that we shall find that he deserves our attention, for the worth of his character and the magnitude of his unmerited burdens. Here it may suffice to observe that, on the theories of the social philosophers to whom I have referred, we should get a new maxim of judicious living: Poverty is the best policy. If you get wealth, you will have to support other people; if you do not get wealth, it will be the duty of other people to support you.

No doubt one chief reason for the unclear and contradictory theories of class relations lies in the fact that our society, largely controlled in all its organization by one set of doctrines, still contains survivals of old social theories which are totally inconsistent with the former. In the Middle Ages men were united by custom and prescription into associations, ranks, guilds, and communities of various kinds. These ties endured as long as life lasted. Consequently society was dependent, throughout all its details, on status, and the tie, or bond, was sentimental. In our modern state, and in the United States more than anywhere else, the social structure is based on contract, and status is of the least importance. Contract, however, is rational—even rationalistic. It is also realistic, cold, and matter-of-fact. A contract relation is based on a sufficient reason, not on custom or prescription. It is not permanent. It endures only so long as the reason for it endures. In a state based on contract sentiment is out of place in any public or common affairs. It is relegated to the sphere of private and personal relations, where it depends not at all on class types, but on personal acquaintance and personal estimates. The sentimentalists among us always seize upon the survivals of the old order. They want to save them and restore them. Much of the loose thinking also which troubles us in our social discussions arises from the fact that men do not distinguish the elements of status and of contract which may be found in our society.

Whether social philosophers think it desirable or not, it is out of the question to go back to status or to the sentimental relations which once united baron and retainer, master and servant, teacher and pupil, comrade and comrade. That we have lost some grace and elegance is undeniable. That life once held more poetry and romance is true enough. But it seems impossible that any one who has studied the matter should doubt that we have gained immeasurably, and that our farther gains lie in going forward, not in going backward. The feudal ties can never be restored. If they could be restored they would bring back personal caprice, favoritism, sycophancy, and intrigue. A society based on contract is a society of free and independent men, who form ties without favor or obligation, and co-operate without cringing or intrigue. A society based on contract, therefore, gives the utmost room and

chance for individual development, and for all the self-reliance and dignity of a free man. That a society of free men, co-operating under contract, is by far the strongest society which has ever yet existed; that no such society has ever yet developed the full measure of strength of which it is capable; and that the only social improvements which are now conceivable lie in the direction of more complete realization of a society of free men united by contract, are points which cannot be controverted. It follows, however, that one man, in a free state, cannot claim help from, and cannot be charged to give help to, another. To understand the full meaning of this assertion it will be worth while to see what a free democracy is.

CHAPTER II

. . . The notion of civil liberty which we have inherited is that of *a status created for the individual by laws and institutions, the effect of which is that each man is guaranteed the use of all his own powers exclusively for his own welfare.* It is not at all a matter of elections, or universal suffrage, or democracy. All institutions are to be tested by the degree to which they guarantee liberty. It is not to be admitted for a moment that liberty is a means to social ends, and that it may be impaired for major considerations. Any one who so argues has lost the bearing and relation of all the facts and factors in a free state. A human being has a life to live, a career to run. He is a centre of powers to work, and of capacities to suffer. What his powers may be—whether they can carry him far or not; what his chances may be, whether wide or restricted; what his fortune may be, whether to suffer much or little—are questions of his personal destiny which he must work out and endure as he can; but for all that concerns the bearing of the society and its institutions upon that man, and upon the sum of happiness to which he can attain during his life on earth, the product of all history and all philosophy up to this time is summed up in the doctrine, that he should be left free to do the most for himself that he can, and should be guaranteed the exclusive enjoyment of all that he does. If the society—that is to say, in plain terms, if his fellow-men, either individually, by groups, or in a mass—impinge upon him otherwise than to surround him with neutral conditions of security, they must do so under the strictest responsibility to justify themselves. Jealousy and prejudice against all such interferences are high political virtues in a free man. It is not at all the function of the State to make men happy. They must make themselves happy in their own way, and at their own risk. The functions of the State lie entirely in the conditions or chances under which the pursuit of happiness is carried on, so far as those conditions or chances can be affected by civil organization. Hence, liberty for labor and security for earnings are the ends for which civil institutions exist, not means which may be employed for ulterior ends.

Now, the cardinal doctrine of any sound political system is, that rights and duties should be in equilibrium. A monarchical or aristocratic system is not immoral, if the rights and duties of persons and classes are in equilibrium, although the rights and duties of different persons and classes are unequal. An immoral political system is created whenever there are privileged classes—that is, classes who have arrogated to themselves rights while throwing the duties upon others. In a democracy all have equal political rights. That is the fundamental political principle. A democracy, then, becomes immoral, if all have not equal political duties. This is unquestionably the doctrine which needs to be reiterated and inculcated beyond all others, if the democracy is to be made sound and permanent. Our orators and writers never speak of it, and do not seem often to know anything about it; but the real danger of democracy is, that the classes which have the power under it will assume all the rights and reject all the duties—that is, that they will use the political power to plunder those-who-have. Democracy, in order to be true to itself, and to develop into a sound working system, must oppose the same cold resistance to any claims for favor on the ground of poverty, as on the ground of birth and rank. It can no more admit to public discussion, as within the range of possible action, any schemes for coddling and helping wage-receivers than it could entertain schemes of restricting political power to wage-payers. It must put down schemes for making "the rich" pay for whatever "the poor" want, just as it tramples on the old theories that only the rich are fit to regulate society. One needs but to watch our periodical literature to see the danger that democracy will be construed as a system of favoring a new privileged class of the many and the poor.

Holding in mind, now, the notions of liberty and democracy as we have defined them, we see that it is not altogether a matter of fanfaronade when the American citizen calls himself a "sovereign." A member of a free democracy is, in a sense, a sovereign. He has no superior. He has reached his sovereignty, however, by a process of reduction and division of power which leaves him

no inferior. It is very grand to call one's self a sovereign, but it is greatly to the purpose to notice that the political responsibilities of the free man have been intensified and aggregated just in proportion as political rights have been reduced and divided. Many monarchs have been incapable of sovereignty and unfit for it. Placed in exalted situations, and inheritors of grand opportunities, they have exhibited only their own imbecility and vice. The reason was, because they thought only of the gratification of their own vanity, and not at all of their duty. The free man who steps forward to claim his inheritance and endowment as a free and equal member of a great civil body must understand that his duties and responsibilities are measured to him by the same scale as his rights and his powers. He wants to be subject to no man. He wants to be equal to his fellows, as all sovereigns are equal. So be it; but he cannot escape the deduction that he can call no man to his aid. The other sovereigns will not respect his independence if he becomes dependent, and they cannot respect his equality if he sues for favors. The free man in a free democracy, when he cut off all the ties which might pull him down, severed also all the ties by which he might have made others pull him up. He must take all the consequences of his new status. He is, in a certain sense, an isolated man. The family tie does not bring to him disgrace for the misdeeds of his relatives, as it once would have done, but neither does it furnish him with the support which it once would have given. The relations of men are open and free, but they are also loose. A free man in a free democracy derogates from his rank if he takes a favor for which he does not render an equivalent.

A free man in a free democracy has no duty whatever toward other men of the same rank and standing, except respect, courtesy, and good-will. We cannot say that there are no classes, when we are speaking politically, and then say that there are classes, when we are telling A what it is his duty to do for B. In a free state every man is held and expected to take care of himself and his family, to make no trouble for his neighbor, and to contribute his full share to public interests and common necessities. If he fails in this he throws burdens on others. He does not thereby acquire rights against the others. On the contrary, he only accumulates obligations toward them; and if he is allowed to make his deficiencies a ground of new claims, he passes over into the position of a privileged or petted person—emancipated from duties, endowed with claims. This is the inevitable result of combining democratic political theories with humanitarian social theories. It would be aside from my present purpose to show, but it is worth noticing in passing, that one result of such inconsistency must surely be to undermine democracy, to increase the power of wealth in the democracy, and to hasten the subjection of democracy to plutocracy; for a man who accepts any share which he has not earned in another man's capital cannot be an independent citizen. . . .

Conclusion

. . . We have now seen that the current discussions about the claims and rights of social classes on each other are radically erroneous and fallacious, and we have seen that an analysis of the general obligations which we all have to each other leads us to nothing but an emphatic repetition of old but well-acknowledged obligations to perfect our political institutions. We have been led to restriction, not extension, of the functions of the State, but we have also been led to see the necessity of purifying and perfecting the operation of the State in the functions which properly belong to it. If we refuse to recognize any classes as existing in society when, perhaps, a claim might be set up that the wealthy, educated, and virtuous have acquired special rights and precedence, we certainly cannot recognize any classes when it is attempted to establish such distinctions for the sake of imposing burdens and duties on one group for the benefit of others. The men who have not done their duty in this world never can be equal to those who have done their duty more or less well. If words like wise and foolish, thrifty and extravagant, prudent and negligent, have any meaning in language, then it must make some difference how people behave in this world, and the difference will appear in the position they acquire in the body of society, and in relation to the chances of life. They may, then, be classified in reference to these facts. Such classes always will exist; no other social distinctions can endure. If, then, we look to the origin and definition of these classes, we shall find it impossible to deduce any obligations which one of them bears to the other. The class distinctions simply result from the different degrees of success with which men have availed themselves of the chances which were presented to them. Instead of endeavoring to redistribute the acquisitions which have been made between the existing classes, our aim should be to *increase, multiply, and extend the chances.* Such is the work of civilization. Every old error or abuse which is removed opens new chances of development to all the new energy of society. Every improvement in education, science, art, or

government expands the chances of man on earth. Such expansion is no guarantee of equality. On the contrary, if there be liberty, some will profit by the chances eagerly and some will neglect them altogether. Therefore, the greater the chances the more unequal will be the fortune of these two sets of men. So it ought to be, in all justice and right reason. The yearning after equality is the offspring of envy and covetousness, and there is no possible plan for satisfying that yearning which can do aught else than rob A to give to B; consequently all such plans nourish some of the meanest vices of human nature, waste capital, and overthrow civilization. But if we can expand the chances we can count on a general and steady growth of civilization and advancement of society by and through its best members. In the prosecution of these chances we all owe to each other good-will, mutual respect, and mutual guarantees of liberty and security. Beyond this nothing can be affirmed as a duty of one group to another in a free state.

THE AMERICAN SCENE

DAVID A. WELLS

In David A. Wells's third report as Revenue Commissioner in 1869, one sees clearly the picture of a great United States emerging from four years of war.

David A. Wells (1828–1898) had come to politics with unusual equipment both in education and business experience. Instead of undergoing the usual legal training, Wells had studied at the Sheffield Scientific School, after being graduated from Williams College. He had made practical improvements in textile manufacturing, joined the publishing firm of Putnam's and written several texts in science and technology. In 1864, his pamphlet, *Our Burden and Our Strength* presented an account of the economic position of the United States which helped make prospective buyers more certain of the soundness of investing in government bonds. His work impressed Lincoln to the point of appointing Wells chairman of a commission to investigate the system of raising revenue and then creating the post of Commissioner of Internal Revenue for him.

Wells's refusal to become a mouthpiece for protectionist lobbying led to the abolition of his office and he was retired to private life in 1870. Thereafter, he turned his attention to business and public issues. He helped reorganize the Erie Railroad after the orgy of speculative manipulation which had made it a byword, and he worked for tariff reform. The latter interest is foreshadowed in Wells's third report as revenue commissioner. Though he had come into office certain that protection was desirable, his experience there helped convince him of his error. Study of the nation's development since 1840 "unmistakably teaches this lesson; that the progress of the country through what we may term the strength of its elements of vitality is independent of legislation and even of the impoverishment and waste of a great war. Like one of our own mighty rivers, its movement is beyond control. Successive years, like successive affluents, only add to and increase its volume; while legislative enactments and conflicting commercial policies . . . simply deflect the current or constitute temporary obstructions. In fact, if the nation has not yet been lifted to the full comprehension of its own work, it builds determinately, as it were, by instinct."

That instinct had covered the country with railroads, stretched telegraph lines across the continent, dug oil and coal and iron from its ground and made them into machines. Even the South was beginning to restore its broken economy and the rest of the country was making great strides. Yet the nation was still hindered by three barriers in its path: an irredeemable paper currency, an inefficient and inequitable excise system, and an ill-devised tariff policy. All three were raising the American cost of production. The currency had already hampered our export trade; by its continued effect on price levels, it was barring us from world markets. Unequal taxes have been a further check on progress. The excise system should have ended with the war that made it necessary. A tariff sufficient for the revenue needed by the country in its present state of indebtedness would afford a reasonable degree of protection.

Even if a reasonable tariff policy is too much to ask, in view of popular acceptance of protectionist dogma, other steps could be taken. Wells recommends economy in government as a beginning and the end of subsidies to railroads. Tax policy should be reformed, and the government's revenue increased to a point which would allow the purchase and redemption of its bonds. In addition, the Treasury should encour-

age the conversion of the United States notes into bonds so as to reduce the amount of irredeemable paper in circulation. By adopting such a sound financial program, the United States would cut its costs of production, raise its productive power, and move into a state of prosperity that would not be snapped by the evil effects of inflation.

The selection here reprinted is taken from a pamphlet originally issued as a supplement to the New York *Evening Post* (New York, 1869).

Report of the Special Commissioner of the Revenue

TREASURY DEPARTMENT

OFFICE OF SPECIAL COMMISSIONER OF THE REVENUE

Washington, D.C., January, 1869

SIR:—I propose in this my third annual report, which I have the honor herewith to present, to ask through you the attention of Congress to the results of a somewhat extended investigation, instituted with a view not of establishing or confirming any particular theory, but rather of determining, through the collection of positive data, what policy in legislation is likely to prove hereafter most advantageous to the revenue, and most certain to establish the credit and industry of the whole country upon a sound and substantial basis.

As all reasoning in respect to the future must necessarily be predicated upon the experience of the past or present, it is obvious that the first step or starting point of this inquiry is involved in the determination of the question as to what is

THE PRESENT CONDITION OF THE CAPITAL AND INDUSTRY OF THE COUNTRY

The facts which constitute an answer to this question are to a considerable degree contradictory and paradoxical. On the one hand there is much that indicates that the country is rapidly recovering from the effects of the war, and resuming that wonderful career of progress and development which especially characterized its history during the period embraced in the thirteen years from 1847 to 1860. On the other hand there is another class of facts which as unmistakably indicate the existence of agencies which tend to arrest or obstruct national development, and which foster speculation, idleness, extravagance of living, discontent with moderate and slow gains, haste to be rich, and the spirit of trading as distinguished from the spirit of production.

It is proposed, in the first instance, to briefly state the evidence in support of the first proposition; and although this evidence has been presented in great part already by the Commissioner in his two previous reports, yet a recapitulation of the leading elements of national wealth, on which rest the elements of national credit, can never be considered as untimely so long as a distrust of the resources of the nation is for any purpose fostered and encouraged—particularly by persons holding official or other public positions. This evidence may be grouped as follows:

FIRST: IMMIGRATION.—From the 1st of July, 1865, to the 1st of December, 1868, about 1,000,000 natives of foreign countries have sought a permanent home in the United States. Investigations made some years ago (since when the character of the immigration has greatly improved), showed that these immigrants bring with them specie or its equivalent to the average amount of eighty dollars per head; while their average value to the country as producers cannot be estimated at less than half the average value of an ordinary laborer in the south prior to the war, viz: $1,000 each. Immigration, then, since the termination of the war, may be regarded as having added $80,000,000 directly, and $500,000,000 indirectly, to the wealth and resources of the country.

SECONDLY: A GENERAL INCREASE IN THE PRODUCTS OF DOMESTIC INDUSTRY.—The Commissioner is fully aware of the difficulties attendant upon the determination of estimates in this department; prices, with the present irredeemable, fluctuating currency being wholly valueless as a measure; while a statement of quantities, to be strictly accurate, must be considered not only with reference to quality, but also to the normal increase in production, which under all circumstances accompanies an increase of population. Nevertheless, the wealth of the country is its capacity for annual production; and an analysis of this production is the surest, and at present the only, available method of testing that wealth.

Speaking generally, however, in the first instance, the Commissioner asserts that all the available data tend to establish the following conclusion, viz: That within the last five years more cotton spindles have been put in operation, more iron furnaces erected, more iron smelted, more bars rolled, more steel made, more coal and copper mined, more lumber sawed and hewn, more houses and shops constructed, more manufactories of different kinds started, and more petroleum

collected, refined, and exported, than during any equal period in the history of the country; and that this increase has been greater both as regards quality and quantity, and greater than the legitimate increase to be expected from the normal increase of wealth and population.

To support this general statement, the following specific evidence may be adduced:

1. *Cotton manufacture.*—The number of cotton spindles in the United States, according to the census of 1860, was 5,235,727. From 1860 to 1864 there was little or no increase of cotton machinery, but possibly a diminution—many mills, under the great demand for army clothing, having been converted into establishments for the manufacture of woollens. The number of spindles, however, at present in operation, is shown by the recent returns of the American Cotton Manufacturers and Planters' Association to be about 7,000,000, a gain of 31–78 per cent. in from four to five years, and mainly since the termination of the war in 1865. An estimate, based on less perfect data, given in the last annual report of the Commissioner, fixed this increase at only from 15 to 20 per cent.

2. *Woollen manufacture.*—Imperfect statistics, collected by the Northwestern Woollen Manufacturers' Association, show the increase in the woollen manufacture of seven States of the west, viz., Ohio, Michigan, Indiana, Illinois, Wisconsin, Iowa, and Minnesota, to have been since 1860, as follows:

	No. of establishments	Capital invested	Sets of machinery
1860	259	$1,616,740	294
1868	557	5,448,000	995

3. *Pig iron production.*—In the department of iron industry the Commissioner would again call attention to the fact stated in his previous report, that the recent average annual increase in the production of pig iron is remarkably uniform and greatly in excess of the ratio of increase of population; the latter, at the present time, being assumed at about the ratio of increase from 1850 to 1860, viz., 3½ per cent., while the annual increase in the product of pig iron, during the last five years, has been as follows:

Annual product of pig iron from 1863 to 1868

	Tons	Annual increase
1863	947,604	
1864	1,135,497	19.82 per cent.
1866	1,351,143	9.50 per cent.
1867	1,447,771	7.16 per cent.
1868, (estimated)	1,550,000	7.06 per cent.

For the seven years from 1860 (when the production was 913,770 tons) to 1867, the average annual increase has been 8.35 per cent.

This increase is in excess of the present average annual increase of the pig iron product of Great Britain, which since 1863 has been as follows:

	Tons	Increase
1863	4,510,040	
1864	4,767,951	5.71 per cent.
1865	4,819,254	1.08 per cent.
		Decrease
1866	4,523,897	6.50 per cent.

4. *Copper.*—The product of the copper mines of Lake Superior from 1860 to 1867, inclusive, is returned as follows:

	Tons
1860	6,000
1861	7,400
1862	9,062
1863	8,548
1864	8,472
1865	10,790
1866	10,375
1867	11,735

During the same period the copper product of Great Britain largely declined, viz: from 15,968 tons in 1860, to 11,153 tons in 1866, and 10,800 tons in 1867.

5. *Petroleum.*—In 1862 the export of petroleum was returned at 10,887,701 gallons.—During the years 1864 and 1865, with the advantage of a high premium on gold, the export increased to an average of about 30,000,000 gallons. In 1867 the export was 67,052,020 gallons, and for 1868 the export to December 18 is returned at 94,774,291 gallons.

6. *Coal.*—The recent increase in the production of anthracite coal, which may be taken as a measure of the product of all American coal, is reported as follows: 1862, 7,499,550 tons; 1866, 12,379,490 tons; 1867, 12,650,571 tons; 1868, to December 12, 13,500,000 tons. During the past year the supply of anthracite coal has been seriously affected by strikes and constant interruptions of labor; otherwise there is no reason to doubt that the aggregate product mined would have shown a much larger increase than has been indicated. But as the case stands the increase which has actually taken place proves that the conditions of ability to consume—which conditions are mainly industrial—have not been impaired, but have increased during the past year in about a three-fold ratio to the estimated increase of population.

7. *Lake tonnage.*—The following table, prepared for the Chicago Board of Trade, shows the recent increase of tonnage upon the northern lakes, (exclusive of canal boats,) for the years ending March 31, 1864, 1866, and 1867:

	Vessels	Tonnage	Increase
1864	648	202,304	
1866	997	251,077	24 per cent.
1867	1,196	279,981	11 per cent.

8. *Consumption of sugar and coffee.*—In Europe, some measure of the prosperity of the people can, it is believed, be obtained by noticing the rise or fall in the consumption of certain articles which cannot be considered as belonging wholly to the catalogue of necessities, such as sugars, tea, coffee, &c. Making use of this standard, the following results are obtained:

The average monthly consumption of imported sugars for the eleven months ending November 30, 1868, as indicated by the distribution from the five principal Atlantic ports, was 82,149,760 pounds, as compared with 70,088,480 pounds for the corresponding period of 1867, and 68,296,600 pounds for that of 1865; while the average monthly consumption of coffee for 1868, deduced from the same data, has been 8,294 tons, as compared with 7,560 tons in 1867, and 5,999 tons in 1866.

THIRDLY: THE CONTINUED INCREASE IN THE AGRICULTURAL PRODUCT OF THE UNITED STATES, WHETHER MEASURED BY QUANTITY OR VALUE.—The aggregate crops of the northern States for 1867 were believed to be greater than those of any previous year, while the crops for the past year are known to exceed in quantity and quality those of 1867.

As specific evidence, a few statistics are presented which have recently been published on what seems reliable authority.

In the State of Ohio the recent increase of sheep, hogs, and cereals, is reported as follows:

Number of sheep in 1865	6,305,796
Number of sheep in 1868	7,580,000

In the eight years last past the sheep of Ohio are reported as having more than doubled.

Number of hogs in 1865	1,400,000
Number of hogs in 1868	2,100,000

Cereal crops, including wheat, corn, and oats:

	Bushels
1865	107,414,278
1866	118,061,911
1868	141,000,000

The commercial return of the number of hogs packed at the west since the season of 1864–5, is as follows:

1865–'66	1,705,955
1866–'67	2,490,791
1867–'68	2,781,084

As respects the agricultural products of the southern States, the returns collected by the association of cotton manufacturers and planters before referred to, show that the crop of 1867–8 was at least 2,500,000 bales, or about 65 per cent. of the average crop for the five years immediately preceding the war; while for the year 1868–9 the estimates are generally in favor of 2,700,000 bales. The results of the two crops upon the interests of the south will, however, be materially different. During the crop year 1867–8, the south did not raise food sufficient for its own subsistence, and a large part of the proceeds of the cotton of that year were used for the purchase of food, and also to repay advances for the previous purchase of stock and implements. This year, 1868–9, the south has raised food in excess of its necessities, and the proceeds of nearly the entire crop may be considered in the light of a surplus for future development.

The following are the estimated cotton crops of the south since the termination of the war:—1865–'66, 2,154,476 bales; 1866–'67, 1,954,988 bales; 1867–'68, 2,498,895 bales; 1868–'69, estimated 2,700,000 bales.

The culture of rice at the south, which at the termination of the war practically amounted to nothing, has also so far been restored that the product of the present year is estimated at 70,000 tierces; an amount probably sufficient for home consumption, and giving certain promise of a speedy renewal of the former extensive exports of this article.

The following is an estimate of the tobacco crops of the United States since 1850, prepared by a committee of the trade for the use of the Committee of Ways and Means, at the first session of the 40th Congress:

	Pounds
1850	201,350,663
1863	267,353,082
1864	177,460,229
1865	183,316,953
1866	325,000,000
1867	250,000,000

FOURTHLY: RAILWAY EXTENSION AND MOVEMENT.—The total number of miles of railroads in the United States at the close of 1835 was 1,098; at

the close of 1867, 39,244; giving an average increase of 1,156 for each year of the intervening period. The annual progress of railroad extension during and subsequent to the war is shown by the following table:

	Miles
1860	1,846
1861	621
1862	864
1863	1,050
1864	738
1865	1,277
1866	1,832
1867	2,227
1868 (estimated)	2,500

It will thus be seen that since and including the year 1865, the year of the termination of the war, nearly 8,000 miles of railroad have been constructed in the United States, and that the present ratio of increase is more than double the average of railroad history prior to 1860, (viz: 1,156 miles.)

On the other hand the average annual increase of railroads in Great Britain from 1860 to 1865 was only 571 miles, and in France during the same period 509 miles.

An analysis of the railway system of the United States, which has been made for the first time during the past year presents us, however, with results which, were they not founded on incontrovertible data, would seem fabulous. Thus the ratio of the gross earnings to cost of the railroads of the whole country for the year 1867 was equal to about 21 per cent.; for the northern States about 23 per cent. The railroads of the country, therefore, now receive their cost in a little more than four years, and this ratio of gross earnings to cost is steadily increasing with the increase of the railway system and traffic of the country.

Again, "the average number of tons of freight carried upon the railroads of the country is estimated at 2,000 tons per mile of road. The tonnage of the railroads of Massachusetts, in 1867, equalled 3,812 tons per mile; that of the railroads of New York, 3,100 tons; and that of Pennsylvania, 6,000 tons. The gross tonnage of the 39,284 miles of railroad in existence at the close of 1867, at the above estimate, was equivalent to 78,568,000, and if we deduct from this amount 15,000,000 tons for coal and other cheap material, and an equal amount for duplications of the same tonnage on different roads, there will be left 48,488,000 tons of merchandise moved annually upon all the railways of the United States. At an estimated value of $150 per ton for this tonnage, the total annual value of the merchandise traffic of all the roads at present equals $7,273,200,000."

The total amount of tonnage transported on all the roads of the country for the year 1851, is estimated by good authorities at not exceeding 10,000,000 tons. If from this we deduct 3,000,000 tons for coal and other cheap materials, and 1,000,000 tons for duplications, there will be left a merchandise tonnage of 6,000,000 tons in 1851, against 48,488,000 tons in 1867. The rate of increase in this period, therefore, has been equal to 800 per cent., and the actual increase 42,488,000 tons. At the estimated value of $150 per ton, the increase in the value of the railway merchandise of the country in sixteen years has been $6,373,200,000, or at the rate of nearly $400,000,000 per annum. And it should also be noted that one-half of this total increase has taken place in the seven years that have elapsed since 1860.

The increased movement on the railways of the United States, which in the main represents increased product, also affords some indication of the progress of the development of the country. Thus, the earnings of the ten principal railway lines of the west exhibit for the first ten months of 1868 (with a decrease rather than an increase of freight rates) a gain of eight per cent. as compared with earnings of the corresponding months for the year 1867. Taking also the movements on the railways and canals of the State of New York, which are known to be accurate, and at the same time accessible, as a measure of comparison for the whole country, we find that the total annual tonnage increased from 7,138,917 tons, in 1858, to 16,032,006, in 1868, an increase of 124 per cent.; while the annual value of the tonnage thus moved increased from $486,816,505, in 1858, to $1,723,330,207, in 1867, a gain of 254 per cent.

An examination of the railroad statistics of the whole country for the above period further indicates that during the ten years above referred to, or from 1858 to 1868, the increase of tonnage moved on the railways of the United States has been at a rate *sixteen times greater than the ratio of the increase of population.*

Telegraphic extension.—The recent extension of the telegraphic system of the United States is reported to be approximately as follows:

1866, miles of wire	2,000
1867, miles of wire	3,000
1868, miles of wire	6,000

AGENCIES CONCERNED IN NATIONAL DEVELOPMENT

One subject at this point of our inquiry is well worthy of attention. It is this: To what agencies

are our seemingly fabulous national development to be attributed, and to what extent especially is it to be referred to positive legislation?

In answer to this it is to be said that all investigation clearly shows that these agencies have been mainly two, viz: first, great natural resources in respect to abundant and fertile territory, great natural facilities for intercommunication, abundant and cheap raw material, and diversity without insalubrity of climate; and secondly, a form and spirit of government which heretofore has left man and capital, over an area almost continental, free and unrestrained to work out their own development. Since 1840, especially, other agencies have come in as powerful adjuncts, viz: a continued influx of population and capital from the old world; a continued invention and application of labor-saving machinery, and a most rapid extension of the railway system; which last, by giving a market to all the products of our national domain, has greatly stimulated the spirit of industry and enterprise. With these, also, should undoubtedly be included the purchase of California and the discovery of gold on the Pacific.

As respects the relation of legislation by the national government to the results under consideration, if we except the adoption of a liberal policy in the disposition of the public lands, it is difficult, at least for the period which elapsed between 1840 and 1860, to affirm much that is positive, unless, in conformity with the maxim, that that government is best which governs least, absence of legislation is to be regarded in the light of a positive good. If important results followed the acquisition of California, such results were certainly neither foreseen nor anticipated; while as regards commercial legislation, a review of all the facts cannot fail to suggest a doubt whether the evils which have resulted from instability have not far more than counterbalanced any advantage that may have proceeded from the experience of a fluctuating policy. . . .

EFFECT OF THE WAR IN CHECKING NATIONAL DEVELOPMENT

What would have been the condition of progress during the decade from 1860 to 1870, had not the war intervened, is a question that cannot be definitely answered; but that many branches of production would have experienced a development limited only by the amount of available capital and skilled labor cannot be doubted. . . .

But the war came, bringing with it certain inevitable results, and these results now constitute the *per contra* upon the national ledger before referred to. The feature about them which, in contrast with the facts above cited, seems contradictory and paradoxical, is that while our resources as a nation have, on the whole, continued unimpaired; while we continue to possess and enjoy the greatest area of fertile territory, the most unrivalled means of intercommunication, natural or artificial, and the freest and most popular form of government; while the aggregate annual products of the soil have continually increased and not diminished, and those of the anvil, the forge, the loom, and the spindle have also multiplied; there, is, nevertheless, hardly a single domestic article or product, agricultural or manufactured, in behalf of which the claim, either directly or indirectly, has not been made within the last two years that the same could be produced to greater advantage or profit in some other country than the United States; increased protection even being demanded for oil paintings, rough building stone, Indian corn, fire-wood, bibles, and ice—the last to the extent of 15 per cent., gold; and this claim the Commissioner is obliged to admit is, to a very great extent, in exact accordance with the truth.

The United States finds itself, therefore, in the anomalous position of a great nation, favored in many respects as no other nation upon which the sun shines, unable to exchange its products on terms of equality with the products of any other country; the marked exception being always its product or supplies of the precious metals. Inquiry is now to be made into the causes to which these results must be attributed, and as to the measures which seem likely to prove remedial, avoiding in so doing, to the greatest extent possible, any repetition of the facts and arguments which have been presented by the Commissioner in his former reports, or by others who have discussed this subject; and aiming to present rather the results of a continued investigation and of an enlarged experience.

AGENCIES AVERSE TO NATIONAL DEVELOPMENT

The immediate cause of the anomalous condition of affairs in question must unquestionably be referred to the greatly increased cost of nearly all forms of labor and commodities as compared with the price for the same that prevailed in the decade immediately preceding the war; while these in turn must be regarded as the resultant mainly of three agencies growing out of the war, viz: *irredeemable paper currency; unequal and heavy taxation*, and a *limited supply of skilled labor*, the last manifesting itself at the present time in specialities rather than in general.

INFLUENCE OF AN IRREDEEMABLE PAPER CURRENCY

As the specific influence of the first agency has been of late so often and so thoroughly discussed, the Commissioner will only ask attention, under this head, to a few points of presumed novelty or interest; and, first, to a specific statement of actual experience, illustrative of the manner in which an irredeemable paper currency, or what is the same thing, a national abnegation of specie payments, unavoidably tends to destroy all profitable commercial relations with foreign countries in which trade and industry is connected on a specie basis. The statement is furnished to the Commissioner by a manufacturer of furniture in one of the middle States, who, previous to the war, had built up an extensive export business to the West Indies, Central and South America, of a variety of "cane-seated" and "cane-backed" furniture suited to warm latitudes.

Thus on the 1st of March, 1861, gold and currency being at par $1,000 in gold possessed a purchasing power sufficient to obtain for the South American importer 111⅛ dozen of what are termed in the trade, "ordinary square-post cane-seat chairs." About the 1st of January, 1862, gold began to command a premium, and advanced during the next three years with great rapidity. This movement was not, however, participated in at first, to any considerable extent, by either labor or commodities, and in consequence, the purchasing power of gold greatly increased; so much so that on the 1st of July, 1864, the $1,000 gold which in 1861 bought 111⅛ dozen chairs, then bought 143 dozen. Under these circumstances, as was to be expected, trade increased, as the foreign purchaser found the American market by far the best for his interest; but from July, 1864, a movement commenced in an exactly opposite direction, gold receding and labor and commodities advancing in very unequal ratios. Thus in January, 1865, the $1,000 gold, which four years previous had a purchasing power of 111⅛ dozen chairs, and on the 1st of July, 1864, of 143 dozen, then commanded but 126⅔ dozen; in February, 1866, a still smaller number, viz: 91½ dozen, and ultimately attained its minimum in January, 1867, when the purchasing power of the sum named was only 89⅔ dozen. From this point the purchasing power has gradually increased, and for the past year, 1868, has remained at the rate of about 102 dozen, or nine dozen less than could be bought with the same money in 1861.

The result has been that the foreign purchaser now goes to France or Germany; while the products of American industry, in the form of furniture, being no longer available to exchange for sugars, spices, or dyewoods, gold has necessarily been substituted; and, to use the words of the manufacturer describing his condition, "unless there is a speedy return to specie payments, custom will soon fix the channels and currents of trade that any attempt on my part to divert them will be attended with great difficulty;" and what has thus been shown to be the case in respect to the export trade of the United States in furniture, may be accepted as true of almost every other manufactured product, which as a nation, we were accustomed, before the war, to exchange for foreign commodities.

COMPARISON OF PRICES OF LABOR AND COMMODITIES, 1860–'61 AND 1867–'68

The present abnormal condition and the recent fluctuations in the prices of labor and commodities also properly comes up for consideration in connection with the subject of an irredeemable paper currency—the chief agency to which the disturbances in question must be referred.

The investigations previously instituted by the Commissioner have established the fact, that up to the commencement of the year 1867, the general effect of the agencies growing out of the war had been to occasion an average advance in the price of commodities to the extent of about 90 per cent., while the corresponding average advance in wages was not in excess of 60 per cent.

He has now to ask attention to the conclusions which another year's experience and investigation have brought to us in relation to this subject. The result of long and careful investigations in respect to the retail prices of the leading articles of domestic consumption by operatives in the manfacturing towns of New England, the middle, and some of the western States, have afforded data for accurately estimating the increase in the prices of such articles in 1867 as compared with 1860–'61. They establish the following conclusions:

That the average increase in the price of groceries and provisions in 1867, as compared with 1860–'61, was 88 per cent.; or, calculated on the basis of the quantities consumed on an average by a number of workmen, a little in excess of 86 per cent.; of domestic dry goods, including clothing, 86½ per cent.; of fuel, 57 per cent; of house-rent, 65 per cent. This latter average is, however, largely affected by the circumstance that in New England, where manufacturing companies or corporations very generally own the tenements occupied by their operatives, rents have not been advanced to any considerable ex-

tent. Excluding New England from the calculation, the average advance in rents for 1867, as compared with 1860–'61, must be estimated at a much higher figure. Thus in the smaller manufacturing towns of Pennsylvania the average increase in the rents of houses occupied by operatives is believed to have been about 81 per cent., and in New Jersey 111 per cent. In the cities of New York, Philadelphia, Newark, and Pittsburgh, the increase has been from 90 to 100 per cent.

The average of these results, proportioned to the ascertained varying ratio of expenditure under the several heads, shows that for the year 1867, and for the first half of the year 1868, the average increase of all the elements which constitute the *food, clothing, and shelter* of a family has been about 78 per cent., as compared with the standard prices of 1860–'61.

The result, in general, of this large increase in the prices of commodities of domestic consumption to the laboring man becomes evident, by comparing such increase with the increase in the rates of wages during the period under comparison—which rates, for the year 1867, as compared with 1860–'61, were as follows: For unskilled mechanical labor, 50 per cent.; for skilled mechanical labor, 60 per cent. . . .

The returns to numerous and careful inquiries, instituted at the request of the Commissioner, by proprietors or superintendents of manufacturing establishments in the New England, middle, and some of the western States, also afford much interesting information relative to the average weekly earnings and expenditures of American operatives, grouped as families, in the years 1860 and 1867; and also in respect to the comparative opportunities enjoyed by such families at the two periods referred to, for the realization of a surplus over and above the expenditures absolutely necessary for shelter and subsistence.

The following table, based on indisputable and actual data, shows the average aggregate weekly earnings in 1867 of families of various sizes, in different sections of the country; one or more members of each of which were employed in some branch of manufacturing industry; their average weekly expenditures for provisions, fuel, house-rent, &c., and the balance remaining to them, over and above such expenditure, available either for accumulation and capital, or for the purchase of clothing, or articles of employment and luxury.

In order to obtain the data for further comparisons, and especially to determine whether the large increase in wages in 1867–'68, has brought any real net gain to the employes of manufacturing establishments, a careful investigation was instituted in respect to the earnings and expenditures of individuals and families in 1860, similarly situated in all respects with those whose average aggregate weekly receipts and expenditures were given in the above table for 1867; and in so doing it has fortunately happened, that through the earnest co-operation of several proprietors or agents of manufacturing establishments, the data in respect to 1860 have been obtained, in many instances, from the same specific individuals or families which supplied the information relative to 1867. These data, carefully verified by reference to contemporary price-currents and other evidence, have afforded the means of constructing the following. [Table on p. 733.]

In constructing the following table it has been assumed for purposes of comparison, (and so expressed in the third column of the table,) that the total average weekly wages obtained in 1867, viz.: $18 96, were entirely expended, and in the following proportions: $14 29 for provisions, rent, fuel, &c., and the balance, $4 67, for clothing, domestic dry goods, housekeeping articles, luxu-

Average aggregate weekly earnings in 1867 of families

Size of Families	Average weekly expenditures for provisions, house-rent, &c.	Average weekly earnings	Surplus for clothing, housekeeping, goods, &c.
Parents and one child	$10 24	$17 00	$6 76
Three adults	8 35	17 52	9 17
Parents and two children	12 26	18 75	6 49
Parents and three children	15 02	19 50	4 48
Parents and four children	17 79	23 33	5 54
Parents and five children	15 23	17 11	1 88
Parents and six children	11 67	13 50	1 83
Parents and seven children	23 78	25 00	1 22
General average of the above	$14 29	18 96	4 67

Table showing the average weekly expenditure of families of varying numbers in the manufacturing towns of the United States for the years 1860 *and* 1867, *respectively*

Size of Families	Average weekly wages		Average weekly expenditures for provis'ns, house rent, clothing, &c.		Surplus in 1860
	In 1867	In 1860	In 1867	In 1860	
Parents and one child	$17 00	$12 17	$17 00	$9 96	$2 21
Three adults	17 52	12 00	17 52	10 31	1 69
Parents and two children	18 75	11 50	18 75	10 79	71
Parents and three children	19 50	12 41	19 50	11 33	1 08
Parents and four children	23 33	14 15	23 33	13 18	97
Parents and five children	17 11	10 37	17 11	9 46	91
Parents and six children	13 50	9 50	13 50	7 67	1 83
Parents and seven children	25 00	15 17	25 00	14 09	1 08
General average of the above	18 96	12 16	18 96	10 85	1 31

ries, &c. Now the same quantities and qualities of provisions, groceries, clothing, rent, fuel and housekeeping articles, could have been obtained in 1860 and 1861 for the respective sums indicated in the fourth column; showing an average weekly cost of $10 85 in 1860, as compared with $18 96 in 1867; and leaving a balance in the former year of $1 31 (gold) per week in favor of the operative, as against no accruing surplus whatever in 1867–8; or, in other words, supposing the requirements for food, clothing and shelter to have been the same in 1867 as in 1860, the operatives referred to in the table, who received in 1867 an average of $18 96 per week, obtained in that year only sufficient to give them the actual necessaries and comforts of life; while the same men, whose average weekly wages in 1860–'61 were only $12 16, obtained with such earnings at that time the same articles of comfort or necessity, and had in addition a surplus of $1 31 (gold) per week, or $68 12 (gold) per annum.

As already stated, it has been assumed in this comparison that the wages received by the operatives in question during the year 1867 were wholly consumed in their living. To a very considerable extent it has been found that this assumption is justified by facts; but if, in view of the constant increase of deposits in savings banks and other evidences of accumulation, it should appear that a margin on an average has been saved, the figures presented show with equal certainty that on the same scale of living, the margin in 1860 must have exceeded that of 1867 in the proportions indicated. The fact, therefore, is established by incontrovertible evidence, that the condition of working men and women in a majority of the manufacturing towns of the United States is not as good at the present time as it was previous to the war, notwithstanding that their wages are greater, measured in gold, in 1867–'68 than they were in 1860–'61.

It should also be noted that most of the persons whose wages and expenditures have been discussed, were classed as skilled workmen, receiving an advance in wages of about 52 per cent. in 1867, as compared with the amount received in 1860. If their condition has not improved, the condition of the large class of unskilled workmen, such as day laborers, teamsters, watchmen, and the like, is even worse. Thus careful examination and comparison of a large number of returns from the proprietors or superintendents of furnaces, mills, foundries and factories of every description in almost all sections of the United States establishes the fact, that the average weekly wages of laborers and other unskilled workmen for the years 1860–'61 and 1867–'68, respectively, were as follows: 1860–'61, $6 04 per week; 1867–'68, $9 54. . . .

GENERAL INFERENCES

Finally, from the results of investigation which have thus been presented, we may draw the following conclusions:

The aggregate wealth of the country is increasing, probably, as rapidly as at any former period; yet it does not follow that there is the same increase in general prosperity. The laborer, especially he who has a large family to support, is not as prosperous as he was in 1860. His wages have not increased in proportion to the increase in the cost of his living. There is, therefore, an inequality in the distribution of our annual product,

which we must, in no small degree, refer to artificial causes. This inequality exists even among the working classes themselves. The single man or woman, working for his or her support *alone*, is in the receipt of a rate of wages from which savings may be made equal, or greater than ever before, especially in the manufacturing towns, where the price of board is, to a certain extent, regulated artificially by the employer. Unmarried operatives, therefore, gain; while those who are obliged to support their own families in hired tenements lose. Hence, deposits in savings banks increase, while marriage is discouraged; and the forced employment of young children is made almost a necessity in order that the family may live.

Now whence comes this inequality, and this unnatural distribution of the results of labor? The student of political economy would predict *a priori* that such must be the result of the enforced use of a fluctuating measure of value, viz: inconvertible paper money. It would be predicted *a priori* that the use of such money involves a most oppressive tax, which falls heaviest upon the laborer and lightest upon the owner of capital. Antagonism is produced where none ought to exist; the capitalist is forced to charge an additional profit for the increased risk involved in the use of a false measure of value, and the consumer of the commodity is forced to pay for such risk. There is no dishonesty to be inferred, and no injustice which the honest capitalist can avoid, so long as the law is as it is; he must either cover all risks, or withdraw his capital entirely from industrial enterprise.

It has been well said that there can be no true theoretic conclusion which will not be proved by the facts whenever the theory can be applied. We have given the theory of the effects of inconvertible paper money, and we find that the facts prove it. *The rich become richer and the poor poorer.*

In addition, however, to an inconvertible paper currency, there are other agencies which are powerfully operating to the production of a like result; and the consideration of these brings us to a new department of our investigation, viz.: *The influence of taxation*, direct and indirect, upon the cost of domestic production, and consequently upon the ability of the country to exchange with foreign nations upon terms of equality. . . .

AMERICAN PROBLEMS

SETTLING THE NORTHWEST

WITH THE WAR OVER, the United States turned its attention seriously to settling its great continental domain. Homesteadism, in 1862, had been added to the land policy of the country; great railroads were being built; and now immigrants had to be attracted. Both the Federal government and the states engaged in this task, flooding Europe with tracts and pamphlets—and sending agents, too—which told of the promise of American opportunity.

Among the states none was more eager for settlers than Minnesota, which had been part of the Union for more than a decade, but which in the seventies still belonged to the "new" West. Minnesota established a State Board of Immigration to inform all the world of her advantages. Year by year, the board distributed close-printed pamphlets crammed with facts and figures to prove that the man who left his home elsewhere would find happiness in Minnesota. By 1878, that appeal was being made in terms which show the lingering effects of the panic of 1873. Those who have lost in other places can still "make good" in Minnesota, where land is cheap and yields great crops, where state funds provide education, and where liberal exemption laws protect the homeseeker.

The selection here reprinted is from one such pamphlet called *Minnesota, the Empire State of the New Northwest* (St. Paul, 1878).

Minnesota, the Empire State of the New Northwest

LANDS FOR THE LANDLESS. HOMES FOR THE HOMELESS

GOVERNMENT LANDS. THE AMOUNT STILL VACANT

I AM INDEBTED to Gen. James H. Baker, Surveyor-General of Minnesota, for the following valuable article on this subject. The General says:

"To post the books and see just where we stand in the disposition of our lands, we find that we came into the inheritance of a vast domain, containing 53,449,840 acres; deducting the water areas, 2,700,000 acres, we had 50,749,840 acres of land, including Indian reservations. Of these lands 39,282,418 acres have been surveyed, leaving 11,467,422 acres yet to survey. Of these surveyed lands the following disposition has been made, and this table will not be found elsewhere, and has been prepared with great care from official sources:

Disposition of Surveyed Lands	Acres
Cash sales and warrants	8,920,285.70
Homestead and timber culture acts	5,829,042.64
Agricultural college lands	1,033,908.75
Railroad grants (certified)	7,621,131.22
Swamp selections (approved)	1,361,125.13
Internal improvement	500,000.00
Schools	2,969,990.00
Universities	92,548.35
Indian scrip	244,672.29
Float scrip	400.00
Salines	26,435.00
Public buildings	6,400.00
Grand Total	28,605,939.08

NOTE.—These returns are up to June 30, 1877, except railroad lands, which are up to Dec. 31, 1877.

Of the thirty-nine millions of acres of surveyed lands, it will thus be observed that 28,605,939 have been disposed of, leaving 10,676,479 acres of the surveyed portion of the State yet undisposed of, and of both the surveyed and unsurveyed areas of the State, leaving a balance of 22,143,901 acres yet subject to disposition. The surveyed lands embrace the cream of our agricultural areas. Those which are in the hands of actual settlers go to create the State and fulfil their highest mission. Those which have gone as gratuities have been given with a lavish hand. But the bank account in that direction is about closed; and but few more checks can be drawn. The area yet to survey will bring to the market a few agricultural lands in the

counties of Polk and Pembina, some valuable pine on the tributaries of St. Louis and on waters flowing north to the Rainy Lake series, and, it is fully believed, rich minerals on the north shore of Lake Superior. In that superb lacustrine region will also be found the Switzerland of America, amid whose romantic lakes the tourist of the future will find division and health." . . .

RAILROAD LANDS

Northern Pacific, 1,615,000 acres; Winona & St. Peter, 1,160,000; Saint Paul & Duluth, 1,200,000; Saint Paul & Pacific, 1,120,000; Saint Paul & Sioux City, 850,000; Hastings & Dakota, 325,000; Chicago, Milwaukee & Saint Paul, 460,000; Southern Minnesota, 200,000. Total, 6,932,000 acres. Rapidly as the lands of all kinds have been taken up during the past winter and present spring, it will be seen that there are still left some *Thirty-one million five hundred and seventy-six thousand acres* subject to entry under the homestead, pre-emption and tree culture acts; with State school lands and railroad lands for sale by the above eight railroads. Much of all this land is equal in quality to any in the State, and situated convenient to many railroads already in operation.

Public Lands

DIRECTIONS HOW TO OBTAIN THEM, FROM AN OFFICIAL SOURCE

Citizens of the United States, or persons who have declared their intention to become such, who are heads of families or over the age of 21 years, can obtain public land of the United States under the homestead, pre-emption, or timber culture acts, in the following manner, viz.:

First.—A citizen, or one who has declared his intention to become such, can homestead 160 acres outside, or 80 acres inside, the ten mile limits of any railroad grant, by filing his application and affidavit, and within six months thereafter commencing settlement and improvement, and continuing the same five years.

Second.—A soldier having served in the army or navy during the war of the rebellion for over ninety days can obtain 160 acres of any of the public lands by filing, himself or by an attorney, a declaratory statement, and within six months thereafter filing his affidavit and application commencing settlement and cultivation, and continuing the same for five years, *less the time he served in the army or navy*. His widow can take advantage of the above. In case of his death in the army, the term of his enlistment is deducted.

Third.—A citizen or person who has declared his intention to become such, is entitled to 160 acres under the pre-emption law, by commencing settlement thereon, and within ninety days thereafter filing a declaratory statement continuing such settlement and improvement. And any time after six months or within thirty-three months from date of settlement, making proof and payment for the same at the rate of $1.25 outside, and $2.50 per acre inside, the ten mile limits of any railroad grant.

A person qualified as before can file his application and affidavit for 160 acres, (under the timber culture act,) of any of the public lands that are naturally devoid of timber, (provided that only one-fourth of any section can be taken under this act,) and by breaking, planting, and keeping in growing condition forty acres of timber, the trees not to be more than twelve feet apart each way, for a period of eight years, will be entitled to patent for the 160 acres. A bill has passed the United States Senate, and will become a law, reducing the number of acres to ten, and requiring that the trees shall be planted 4 feet apart instead of 12 feet.

The government fees for entries under the several acts mentioned, are as follows, viz.:

HOMESTEAD

160 acres inside 10-mile limits	$18 00
160 acres outside 10-mile limits	14 00
80 acres inside 10-mile limits	14 00
Soldier's declaratory statement	2 00

PRE-EMPTION

Declaratory statement	2 00

TIMBER CULTURE

For all entries, irrespective of area, inside or outside 10-mile limits	14 00

Over 28,000,000 acres are now disposed of, leaving over 22,000,000 acres, nearly half of the land area of the entire State—for the landless and poor of all nations of the earth to enter in and possess. Here is a domain abounding in all the elements of health, beauty, and fertility—an area larger than many of the principalities of Europe, which awaits the developing hand of the frugal and industrious among all classes and conditions of men.

FREE FARMS IN MINNESOTA

Under the provisions of the homestead law the land thus acquired without cost is exempt by law from liability for all debts previously contracted.

This privilege of obtaining free farms under

the homestead law is shared by women, whether widows or unmarried ladies, equally with men.

Minnesota invites the honest and industrious, however poor and friendless, to make themselves free homes; also those who have wealth; the well to do class, and those of moderate means. The manner in which this may be done is pointed out as follows:

LAND OFFICES

For the convenience of all who may wish public lands, nine government land districts have been established in the State, in each of which is a land office. In each of these are two officers, called Register and Receiver, who conduct the business. . . .

STATE LANDS

The sixteenth and thirty-sixth sections in each township have been granted by Congress to the State, for the support of common schools. The total amount thus acquired will eventually reach 3,000,000 acres. Minnesota has also received about 83,548 acres in aid of the State University and 94,439.28 acres of Agricultural College lands. An excellent system for the gradual sale of these lands has been devised. They are placed under the control of the State Auditor, as Land Commissioner, and provision is made for their appraisal at a price not below $5 per acre, and each year a quantity of these lands is offered at public sale in the several counties. The purchaser is required to pay in cash 15 per cent. of the amount of his bid for prairie land, and 20 to 75 per cent. for timber land, according to the value of such timber. On the remainder of the purchase money the purchaser is granted a credit of twenty years at 7 per cent. interest, payable yearly in advance; or he may at any time within that period pay the whole amount, receive a deed at once, and thus stop the accruing of interest.

These advantageous terms attract crowds of purchasers at the annual sales. The small sum required in cash enables the purchaser to employ his means for the improvement of the land, and frequently the profits of a single crop cover its original cost, while the land generally increases in value many fold long before final payment is required.

The public sale of 80,000 acres of State, School, University and Internal Improvement lands at Redwood Falls, on the 13th of May, 1878, offers a splendid chance to those who want to make homes in a settled community, where all the great markets are accessible by railroad.

CLASSES OF PUBLIC LANDS

There are three classes of public lands—

1st. All lands outside the limits of the lines of the several land-grant railroads in this State. These are held at $1.25 per acre.

2d. All public lands comprising the even numbered sections within the limits of railroad grants, which are $2.50 per acre.

3d. The lands formerly reserved for the Sioux Indians, which, until offered for sale, are subject to pre-emption by actual settlers at their appraised value.

The two first may be had at all the land offices, and the third at the New Ulm, Benson and Redwood Falls offices only.

THE HOMESTEAD ACT

In May, 1862, Congress passed the Homestead Act. The main features of the bill are, that all lands owned by government are open to settlement, in parcels not exceeding 160 acres to each person.

The bill requires a permanent residence of five years upon the land. The applicant should be the head of a family; or over 21 years of age, or have performed service in the United States army, in which case he may be a minor.

He must not have borne arms against the United States, or have given aid and comfort to his enemies.

He must be a citizen of the United States, or have declared his intention to become such.

Each quarter section of the millions of acres of her unoccupied lands needs an actual settler, to give beneficent action to the idle richness slumbering in her black soil, and convert prairie and meadow into fields of ripening grain, for the supply of the granaries of the world. How princely that act of Congress which secures to the poor man a farm, upon the simple condition of laboring five years in his own service. Mighty conquerors have often divided the conquered territory amongst their favorite chieftains, but America acquires territory by purchase, and distributes it among the landless of all nations. . . .

HOMESTEAD EXEMPTION

A very liberal law exists in Minnesota for the protection of the homes of her people against the effect of sudden reverses by which innocent families are liable to be thrown houseless upon the world's cold charities. The following is the language of the law of this State exempting homesteads from liability for debt:

"That a homestead consisting of any quantity of land, not exceeding eighty acres, and the dwelling-house thereon and its appurtenances, to be selected by the owner thereof, and not included in any incorporated town, city, or village, or instead thereof, at the option of the owner, a quantity of land not exceeding in amount one lot, being within an incorporated town, city or village, and the dwelling-house thereon and its appurtenances, owned and occupied by any resident of this State, shall not be subject to attachment, levy or sale, upon any execution or any other process issuing out of any court within this State. This section shall be deemed and construed to exempt such homestead in the manner aforesaid during the time it shall be occupied by the widow or minor child or children of any deceased person who was, when living, entitled to the benefits of this act."

Thus, without regard to cost—whether it be a cottage or a palace—the sanctities of home are guarded by the protecting arm of the law.

It is not improbable that advantage is sometimes taken of the liberal provisions of this law to cover the knaveries of dishonest men. This is a liability from which few humane laws are exempt; but there can hardly be serious danger in enactments which merely err on the side of mercy.

There is also a liberal exemption on personal property, consisting of the family Bible, pictures, school books, musical instruments, church pew, cemetery lot, all wearing apparel, beds, stoves, and furniture not exceeding $500 in value; also a certain number of cows, sheep, and working team, with a year's food for the same; a wagon, sleigh, and farming implements not exceeding $100 in value; also a year's supply of family provisions, or growing crops, and fuel, and seed grain not exceeding 50 bushels each of wheat and oats, 5 of potatoes and 1 of corn, also mechanics' or miners' tools, with $400 worth of stock-in-trade, and the library and implements of professional men.

RATE OF INTEREST

When not specified, the rate of interest in this State is understood to be seven per cent.; but any rate is legal which may be agreed upon and expressed in writing, not exceeding twelve per cent. per annum.

LEGAL PRACTICE

Pleading in this State is according to what is known as "the code," substantially as practiced in New York.

EDUCATIONAL FACILITIES

STATE UNIVERSITY, NORMAL AND COMMON SCHOOLS

No State enjoys more munificent provision for the education of her people than Minnesota. Very early steps were taken in behalf of several important measures for its promotion.

UNIVERSITY OF MINNESOTA

This Institution, which is surpassed by but few in the country, is located at Minneapolis. It is provided with excellent and carefully selected instructors, and occupies a series of elegant and commodious buildings. It is associated with the Agricultural College of the State, and both Institutions are generously endowed by a Congressional appropriation of public lands.

Both sexes are admitted to its privileges, and the enrollment at present is: gentlemen, 211; ladies, 93; total, 304.

This University was the first in this country to admit ladies on equal terms. Its example has been followed by those of several other States. Its property is worth one million, and its permanent fund is $368,000. Hopeful as is this view of its condition, it is in the practical achievements of the Institution in the noble work for which it was established that we may most indulge an honest pride.

The devoted efficiency of an able faculty, the assiduity of a superior class of students, and the generally harmonious working and inviting outlook of the Institution are all matters for public congratulation.

NORMAL SCHOOLS

Three normal schools are in operation, viz.: The first at Winona, second at Mankato, and third at St. Cloud.

Cost of buildings	$222,000
Enrollment of pupils	996
Total number of graduates	548

Boys and girls are admitted on equal terms in all our Normal and Common Schools and Colleges. Women are allowed to vote on all school matters throughout the State.

There are also various academies, graded schools and high schools in different parts of the State, in which are taught the higher branches of learning.

Excepting those older States, containing the first class, richly endowed colleges, no section of the Union affords better facilities than Minnesota for acquiring a thorough education, all free of expense.

The Cost of Making a Homestead

A settler who resides in Lincoln County, in the extreme southwestern part of the State, sends to the "Workman," at St. Paul, the cost of his homestead, as follows: He took a soldier's claim, which cost $15.00, government fee; railroad round trip ticket, $12.50; two yoke oxen, $200.00; wagon, $55.00; breaking plow, $23.00; ordinary plough, $17.00; harrow, $10.00; house, 14x16 feet, materials, $27.00, built it himself. He broke 15 acres of land last fall, $45.00, which he now has sown in wheat. He has broken 5 acres this spring to plant in corn and potatoes. He has laid in a stock of provisions for six months at $48.00, for a family of four—himself, wife and two children. Wood $1.75 a cord. He had his own furniture, the freight was $25.00. Total, $482.55.

Another in the Valley of the Red River of the North sends the following:

"Government fee $9.00; colonization ticket, $8.30, a person from St. Paul to Moorhead; one car load of furniture and goods, $50, at colonization rates. To build a house 16x18, $50; common lumber, $18 to $20; breaking plow, $25; harrow, $10; one yoke of oxen, $100 at St. Paul, one pair of swine, $3.00; one-half dozen chickens, $3.00; common furniture, $30.00; one cow, $35; provisions for a family of four, to last six months, $50. Total $478.20."

Here are some prices throughout the State—lumber, $15 per thousand. Good fence posts $8 per hundred. Oxen $75 to $100 per yoke. Cows $20 to $35. Farm horses $75 to $125 each. First breaking costs from $2.50 to $3.00 for clean prairie; $5 to $8 for brush land.

The first crop will in many cases pay for the breaking, seeding, and the entire cost of the land; and will in all cases pay cost of breaking twice over.

These prices will afford sufficient clue to allow of close estimates for different scales of operations. On wheat, there is usually a profit of from $4 to $15 per acre; but wisdom teaches a diversification of husbandry which places the farmer beyond the vicissitudes of a single crop.

Thus it will be seen that, with the outfit of a few hundred dollars, one can make a start on the new lands of Minnesota; and, if wanting even this small capital, he need not be discouraged if he have health and strength; these, with habits of industry and economy, will surely overcome all obstacles. The history of pioneer life abounds in instances of penniless settlers who in a few years acquired a *comfortable independence.*

At the present time one can earn money enough to pay the initiative sum and make the improvements which would constitute occupancy of the land; and by alternately working for himself on the homestead, and for others during the harvesting, or in the pineries in the winter season, he may build his house and purchase stock and tools, and by the time the five years have elapsed, find himself the owner of a good home, surrounded by the comforts of life, with a sure title to a farm growing more profitable as improvements are added to it, and more valuable as farms and improvements multiply around it.

True, in the outset, it will cost self-denial of present gratification, much hard labor and close-calculating economy; but without these what great result was ever obtained? The satisfaction of having the noble purpose of acquiring a competency and comfortable independence of the ills of poverty would to a noble soul be compensation adequate to long years of servitude. And yet it is believed that the most indigent settlers, in the first years of pioneer life, scarcely endure more of privation, toil and hardship than falls to the lot of the majority of laborers and common mechanics of the Eastern States, who toil on year after year for a mere subsistence, with no prospect of anything better in the future.

A laboring man in the cities and larger towns pays from $50 to $100 yearly rent for a tenement as devoid of pure air and sunlight as it is in convenience, a sum which, if saved for one year, would make him the owner of a healthy house on the prairies of Minnesota; whilst the remainder of his hard earned money, increased by the earnings of his wife, and under her prudent management, scarce suffices to procure food, clothing and fuel for the dependent little ones in good times; when business is checked, or sickness comes, suffering is the inevitable consequence.

To such Minnesota offers home, comfort, and ultimate wealth, upon the sole condition of a few years of patient toil and well directed effort. Nor to these only are such offers made; they extend to the millions of the old world, groaning in misery, driven to despair by bad government, burdensome taxation, surplus of labor, and deficiency of the means of subsistence—to all such is made the same generous offer.

When to Commence

The most favorable time for opening a farm must be determined by circumstances. Many come in the months of September and October. This is the better time for those who have the

means for a comfortable subsistence. It gives them leisure to select a good location and build a house before snow covers the ground, and the advantage of the winter months to get out fencing and to prepare to commence farm work as soon as spring opens. . . .

The present is a more favorable time for immigration to Minnesota than any past period of her history. Some of the richest sections of the country are more easily reached which a few years ago were very difficult of access for want of roads. Other portions have long been vacated by Indians, and those rude natives who were always an annoyance to the early settlers, have long since been far removed and almost entirely forgotten.

Especially is this a favorable opportunity for the emigrant from foreign countries. Grim visaged war at home. Peace, prosperity, happiness, here.

Under the former law of Congress, the payment of $200 for 160 acres of land was required of the settler whenever it was offered for sale. Many found themselves unable to raise this sum except by hiring money at a high rate of interest on mortgage of the land, when the financial crisis of 1857, occurring soon after, left them no alternative, and the land with its improvements went to satisfy the creditor. The Homestead Act precludes the possibility of a recurrence of similar embarrassments in the future.

Still, the emigrant of to-day will find his share of difficulties to encounter. Hard work, and careful management for the first few years, are indispensable. An occasional drought may pinch his crop, frost will probably sometimes, but very rarely, nip his corn and potatoes. Pigeons and black birds may gather some of his grain, and gophers help themselves to his root crops. Yet with all, he may rely on an abundant supply of food, and other necessaries of life—a good home, and a reasonable prospect of ultimate wealth.

WHAT MONEY CAN DO

Of course capital, directed by sagacity and enterprise, possesses great advantages in Minnesota as elsewhere; indeed the new avenues being continually opened by the rapid development of a bountiful new country, multiply the opportunities for its profitable employment. There is scarcely a reputable vocation of any kind wherein the same capital and good management which insures success in Eastern communities, will not yield far greater returns here. Judicious investments in real estate, owing to the rapid settlement and development of the country, are sure to realize large profits.

WHAT PLUCK AND MUSCLE MAY DO

Great as are the unquestionable advantages which a union of money and industry possesses, there is no country where unaided muscle, with a plucky purpose, reaps greater rewards than under the bright skies and helpful atmosphere of this fair land. Feeling himself every inch a man as he gazes upon the unclaimed acres which shall reward his toil, the settler breathes a freer air, his bosom swells with a prouder purpose, and his strong arms achieve unwonted results.

Minnesota is emphatically the place for men whose capital consists of brawney arms and brave hearts. Any man possessing these may do as thousands who have little else, annually do in this State —select a homestead, in some one of the many beautiful and fertile regions into which railroads are rapidly penetrating, and, by the time he produces a surplus, the railroad is at his door to take it to market—he finds himself not a lone settler, encountering the hardships of frontier life, but in daily communication with the busy world, and the proud possessor of a valuable farm which has cost him little but the sweat of his brow.

WHO SHOULD COME TO MINNESOTA

Young people of either sex, however poor in cash, if rich in courage, hope and strength, may be encouraged to come to Minnesota at all times. It may not be advisable for those advanced in years, or those who are comfortably settled in old and well-established communities, to incur the hazards incident to a removal to a new country. And it should be further understood that the wholly destitute will encounter at first greater hardships here than those they seek to escape. Northern countries are usually more prosperous than those of languid climates, largely because of the greater stimulus the energies receive in guarding against hunger and want, for which reason it is, of course, more difficult for the feeble and destitute to find maintenance; but to the thousands in the older States and in foreign countries, whose only resource is the labor of their hands, who, on looking around, see every avenue to manly independence thronged by jostling multitudes, and the only alternative left them emigration or dependent labor; to all such we offer the testimony of an English writer:—"Minnesota affords the finest and most inviting field for emigration in the world."

Formerly the richest countries were those in which the products of nature were the most abundant, but now the richest countries are those in which man is the most active. In Minnesota we

may justly claim that both essentials are found in full measure. Our bountiful soil ensures the first, and our bracing atmosphere the second. Moreover, thanks to the beneficent wisdom of that generous legislation which finds no parallel in the history of human enactments, every man is here given a farm upon the simple condition, as before stated, of laboring five years *in his own service.*

The world's plaudits have too long been for men and nations whose power was evinced in devastation. The law of might partitioned the spoil among the conquerors, but I again repeat that it is the glory of America that she acquires territory by purchase, and distributes it among the landless of all nations. In Minnesota is found the fairest domain upon which the blessings of this new dispensation receive practical exemplification. A cordial welcome is extended to all to come and partake of the national bounty, and when, with all the advantages with which lavish nature has endowed our State, it is considered that here also may be possessed the perfect health requisite for their highest enjoyment, it is not too much to claim that Minnesota presents unequalled inducements to those in search of new homes.

To the immigrant from monarchic governments, the benefits of a republic offer many inducements. Its protection is extended alike to all classes of citizens, its rights, immunities and privileges enjoyed by all. There are in the Eastern States a class of small capitalists, chiefly widows and unmarried ladies, living upon the income of a small legacy, or of the earnings of former years, who manage to subsist comfortably when prices are low, but who, in the present times, must find it difficult to make their means meet their expenses. Such will find the actual cost of living in Minnesota about one-third less than in the Eastern States, whilst the more simple habits of a new country and less expensive modes of dress and equipage, will enable them to maintain a corresponding social position at a still further reduction.

AGRARIAN DISCONTENTS

The United States was going through its growing pains in the years after the Civil War. There was great industrial expansion and an enormous amount of railroad building. More and more, prairies and plains were being opened up to staple crops and American wheat and meat products were pouring into the European markets. Still, Americans—both government officials and businessmen—were really unfamiliar with proper economic and fiscal policies. There had been a sharp inflation at the end of the war and in the immediate postwar years (as David Wells had shown); and then an equally sharp deflation. There had been a good deal of unwise and speculative railroad building. There had not been enough attention paid to the raising of the workers' living standards or to the requirements of an unfavorable balance of payments.

During the earlier flush times, American farmers had expanded their holdings and incurred debts. As prices dropped, they were being confronted by heavy fixed charges and by the exactions of railroad monopolists. The inadequacies of the banking facilities of the country—notably as they applied to agricultural credits—prompted American farmers to turn their attention to schemes for currency and banking reform: a perennial theme in growing America. An inequitable railroad-rate structure forced them to consider programs for bringing railroads (and warehouses, too) under public control.

These movements for government intervention on the part of Middle Western farmers earned, in turn, the vitriolic condemnation of E. L. Godkin (1831–1902), the English-born editor of the New York weekly *The Nation.* Godkin had no especial fondness for the railroads—he remarked that the Central Pacific spent "twelve months in every year in swindling the Government or devising means to do so"—but he considered government interference in the economic life the worst of all political evils. During the sixties and seventies, his editorial columns were filled with lectures—addressed to the farmers—on banking and currency heresies. One of these editorials is here reprinted from *The Nation* of July 29, 1875.

When the Midwestern states, under the

stimulus of a farmer organization named the Patrons of Husbandry but called The Grange and pushed into action by independent farmer parties, began to pass so-called Granger laws having to do with railroad and warehouse regulation, Godkin was equally caustic. His editorial of January 28, 1875, here reprinted, takes the agrarians to task: they have only succeeded in injuring the credit of the United States.

By this time, these laws of Illinois, Wisconsin, and others were before the Supreme Court, and in Munn *v.* Illinois (94 U.S. 113) the majority opinion of the Court upheld the constitutionality of the Granger laws. The decision was handed down in 1876, with Chief Justice Waite writing the majority opinion and Justice Field a dissenting one.

The Court upheld the right of the community to make conditions for the use of property within its bounds. The Fourteenth Amendment, the majority opinion declared, did not make legislation regulating the use of property a deprivation of property under the "due process" clause. Justice Field's dissent, on the other hand, declared that a business activity was affected with a public interest only when it had been given some special privilege by law. Otherwise, the rights of property, under the "due process" clause were in the same rank as those of the individual citizen. In another ten years, however, the Supreme Court was to accept Field's views and extend the term "person" in the Fourteenth Amendment to include corporations.

Editorials from The Nation

BY E. L. GODKIN

1. The Democratic Inflationists

The canvass now pending in Ohio is perhaps the most interesting one which has occurred since the war, not only because the currency and the public debt form the main issues in it, but because the position of the Democrats has been taken up after the currency question has been very fully discussed, and after the absurdity of the inflationist theory of our financial troubles has been demonstrated by actual experience. We now *know*, as most of us did not know before 1873, that abundance of money and low rates of interest are not all that is needed to revive trade and industry. While the Western and Southern philosophers were clamoring, two years ago, for a redistribution of the national-bank circulation, on the ground that it was monopolized by the East, and that their region did not receive its full share of it, it was easy enough for those who knew anything about the laws of currency to tell them that it did not make any difference how Congress distributed the currency, that it would only stay where it was needed—that is, where there was most buying and selling to be done. But they would not believe it any more than a Sioux would believe an astronomer if he told him he could measure the distance to the moon. They have now had actual proof of it in the fact that the West and South have not applied for their share of the currency, having in fact no use for it. If a Western banker were supplied with ever so much currency to-day, he would carry it to New York to lend, and in New York he can get so little interest for it as not to make lending worth the trouble. And yet, in the face of all this experience, the Western Democrats continue their clamor for plenty of irredeemable paper-money, and Messrs. Allen and Pendleton go about in Ohio making speeches in favor of it which, to many people at the East, sound like the ravings of drunkenness.

Now, why is it that the experience and discussion of the last three years have not produced enough effect to prevent such an agitation as we see going on in Ohio? How is it that the Democrats, after having been originally "hard-money men," have now so great a fondness for irredeemable paper-money, and do not pay the least attention to your citations either of American or foreign experience of paper-money? Why is there no use in arguing with either of these gentlemen? Why does any attempt to argue with them end in simply bandying contradictions? The fact is that the Democratic party, though it has the reputation of having been a "hard-money" party, was always almost as much in favor of Government money as of "hard-money." It disliked paper-money in the earlier years of its existence rather

because the banks issued it than because it was paper. Jefferson thundered against the "scrip" of the United States Bank, but he was not opposed to the issue of Government scrip. In fact, the present system of Government issues may be found set out with the utmost distinctness in his correspondence, particularly in the year 1813. Nearly all his denunciations of the banks and their "rag-money" are interspersed with suggestions for an issue of Government paper, "based on" a "specific tax." He proposed the payment of the expenses of the war with England by such an issue, or, in other words, proposed the very scheme which Mr. Chase produced forty-seven years later—barring the legal-tender clause—for paying the expenses of putting down the rebellion. Writing to Mr. Eppes, June 4, 1813, Jefferson shows how the thing is to be done. "Every one knows," he says, "that although not literally, it is nearly true, that every paper dollar emitted banishes a silver one from circulation. A nation, therefore, making its purchases and payments with bills fitted for circulation thrusts an equal amount of coin out of circulation. This is equivalent to borrowing that sum, and yet the lender, receiving payment in a medium as effectual as coin for his purchases and payments, has no claim to interest. And so the nation may continue to issue its bills as far as its wants require and the limits of the circulation will admit. Those limits are understood to extend with us at present to $200,000,000—a greater sum than would be necessary for any war." One has only to put this idea into the hands of "the debtor class," headed by demagogues like Morton and Logan and Allen and Pendleton, to have the Ohio system of finance very speedily evolved from it. Nor did Jefferson's plan die out of the memory of his disciples. In 1837, in the very midst of the distress arising out of the bursting of the bank bubble, and when all true Democrats were clamorous for "hard-money" and against "rag-money," Mr. Silas Wright, the leading party chief, who hated and denounced bank-paper as much as Jackson himself, introduced in the Senate, and carried against the opposition of the Whigs, who advocated a plain, honest loan, the issue of $10,000,000 of Treasury notes, as a medium in which Government dues could be paid, in the absence of redeemable bank-notes, and he did this under the recommendation of the President, Mr. Van Buren, in his message. It was perhaps the best thing to be done in the peculiar circumstances of the case, but it showed that Democratic hostility to paper-money was by no means absolute; that it could be easily reconciled to paper issued from the right quarter—in short, to "the people's paper," as distinguished from the paper of "monopolists" and "speculators."

The idea which is at the bottom of the whole agitation in favor of unlimited issues of greenbacks is as old as the French Revolution, and has come steadily down, in one shape or another, along with the "principle of equality" and the "rights of men." It is now embodied in the political gospel of the Continental Socialists, under the name of "gratuity of credit." The Continental Socialists have, however, pushed the doctrine further than their American imitators, and made it more efficient, because they have not only provided for the issue of irredeemable paper by the Government, but provide the means by which the "poor man" can get hold of it. Anybody who reads the speeches of Allen or Pendleton or Kelley on the wonderful effects of plenty of paper-money in "quickening the wheels of industry," will observe that they never describe the mode in which the paper is to reach the wheels. They tell you of the blessing it would prove to the farmer and mechanic, but they refrain from mentioning how the farmer or mechanic is to get it into his possession. They do not propose that the Government should give it away. Even the illustrious Kelley denies his benignant currency to all who cannot provide themselves with 3.65 bonds. But how is the hardy farmer or the industrious mechanic, who is short of money, to procure bonds, in order to exchange them for currency when business is active, and draw them out again when business is dull, etc., etc.? This lamentable gap in the system the French and Germans have filled up by declaring that when the Government makes its issues of paper, it shall lend them to all well-behaved citizens, through banks established for the purpose all over the country; and not on security either—for the present bankers lend on security, and what is lending on security but monopoly? The object of Government issues is, and clearly ought to be, the supply of money to persons who have no security to offer—or, in other words, to the class which needs money most—and this the European plan attains. Some such idea, though in a very vague shape, undoubtedly lies at the bottom of the Kelley and Allen discourses. The training they have unconsciously received in an acute business community doubtless prevents them from proposing openly that "the people's money" should be lent gratis to all comers, because this would make Americans laugh; but the notion that the Government ought in some manner to see that everybody has as much money as he needs in his business is, nevertheless, running through their

minds, and furnishes, or would furnish, the premise the suppression of which makes much of their talk seem so irrational. Kelley has made a lame attempt to meet the difficulty with his 3.65 plan, and Wendell Phillips with his plan of lending on mortgage on real estate at four per cent., but neither of them makes any provision, as we have already remarked, for the poor fellows who have neither bonds nor real estate.

Another thing to be taken into account in trying to explain the steady growth of the inflationist element in the Democratic party is, that it has always been an *a priori* party: its doctrines have never, either in their conception or in their application, been influenced much by either home or foreign experience. That the inflationist element has been steadily gaining ground in its ranks for some years, there is now no denying. It has been kept down on the Eastern seaboard by the predominance of the commercial interest; but in the West it comes nearer every month to taking entire possession of the party, and laughs at the way in which the Eastern organs fling financial history at its head. The way in which the Cincinnati *Times*, for instance, approaches the question, is far more orthodox than the way in which the *World* approaches it. The Western journalist does what the poets do, and what Democratic publicists have always done, in dealing with important political problems—"he looks into his own heart and writes"; while the *World* quotes the report of the Bullion Committee and the history of the French assignats and other musty records of past ages. In this way the Democrats changed the constitution of this and other States, by making all the officers directly responsible to the people, giving us the elective judges. There is nothing in the annals of the human race, or in any man's experience of human nature, to justify faith in such changes any more than to justify faith in irredeemable greenbacks; but then the Democratic politician did not care for annals, and the human nature he studied he learnt about through Jefferson from that profound observer, Jean Jacques Rousseau. It was Rousseau who first revealed to the world the extraordinary things man was capable of if released from the bonds of usage and tradition, and his pictures made an impression which may be found stamped deeply in the reports of many an American convention. The latest traces of them are undoubtedly to be seen in this Democratic clamor for paper-money. What Mr. Allen and his followers are telling us, or trying to tell us, is that we have been misled by oligarchical traditions into the belief that coin was the only good money, and that a community which had lost it ought to try to recover it; but that we deceive ourselves; that by deep thinking we should discover that paper-money was the true foundation of natural happiness, just as Karl Marx would tell us that long familiarity with the practice of giving security for loans, and of paying them back at a fixed date, had blinded us to the national advantages of loans without security, not payable at any date; and that in this system of banking reflection would show a right-minded man that the world would find a key to the terrible problem of poverty. If you cite experience to these philosophers, they tell you that experience is of no value, because their system was not tried under the proper conditions. It has to be put into operation in a Democratic atmosphere and amid Democratic institutions, and then it will work. If it does not work, it is either because you do not go far enough, or because some malignant person behaves badly. Their paper would be good money if selfish men did not refuse it or undervalue it, just as their constitutions would be good constitutions if every man did his duty. You cannot corner them in discussion. No *a priori* politician or financier was ever cornered, because he always takes to himself wings, as people do in dreams, and perches on some distant and sunny height while you are preparing your cords to bind him.

2. The Farmers and the Supreme Court

Within the last few weeks the newspapers have been full of despatches and predictions from Wisconsin to the effect that the present session of the legislature of that State will repeal or substantially modify the Potter Railroad Law. We have ourselves very good reason to believe that these anticipations are well grounded, inasmuch as we understand that a loan needed in Wisconsin for public improvements has been refused by English capitalists solely because of the existence of the Potter Law, and that the only hope of effecting it now lies in an alteration of the law. It seems to be generally believed, too, that if this particular measure is struck off the rolls the trouble will be over, that the capitalists will be satisfied and happy, and money will flow freely as of old from the plethoric coffers of London, Boston, and New York into the Northwest. So far as the repeal or modification of the Potter Law goes, every one must be rejoiced to hear of this proof of returning wisdom, and our readers will bear us witness that we have never expressed a belief in the permanence of this notorious piece of legislation. But we expect and demand a great deal more than this, and every one, either in Europe or America, who is interested in the stock or bonds

of any Western railroad, will recognize the justice of the demand. What is needed now, in the interest of every one who either has property or the hope of acquiring property, is an authoritative exposition by the highest and final tribunal of the country of the rights of people who invest their earnings in the securities of railroads, on the faith of charters granted them by States or the United States. The withdrawal of the suits now pending in the Supreme Court at Washington, in consideration of the repeal or modification of the Potter Law, would really leave the matter exactly where it now is—would give the bond and share holders no more guarantees than they have now, would abridge no right now alleged to exist on the part of the State, and would leave the whole matter to be reopened as soon as the next era of railroad speculation and extravagant town-bonding should give the farmers reason to believe that they were not making money fast enough.

Let no one suppose for a moment that this is a forced statement of the motives which have guided the Grangers in their assault upon railroad property. They maintain, indeed, that they have a legal theory of the relation of corporations and the state at the bottom of their demands, but this is a sheer fabrication. Their theory now is that railroads are public highways, and therefore the tolls taken on them must be such as the public deems reasonable. It is not more than half-a-dozen years, however, since throughout the West there was a great farmers' movement directed to the sole end of getting the courts to declare the direct opposite of this—that a railroad was a purely private enterprise, and had no public character whatever. The explanation of this inconsistency is simple enough. It is that in the first instant the farmers wanted the courts to declare that bonds, issued by themselves in their corporate capacity of towns and counties in aid of railroads, were illegal, and on that account they need not pay the interest. To do this it was necessary that the roads should be decided to be private companies, in aid of which of course public taxation or loans were unlawful. Now, however, what the Grangers want is to make the roads carry grain at such prices as will make farming remunerative when it does not pay to farm, and therefore they have gone into court to procure decisions to the effect that railroads are public highways. This is not a mere technical inconsistency which it is for lawyers to explain and dissipate; it is in reality a glaring and insolent assertion on the part of the Grangers that they do not care what the law is, or what justice is, but that they propose to frame, whenever they either wish to stop payments of their own debts to railroads, or wring some money out of the railroads, some legal theory to fit the occasion.

We maintain, as we have maintained all along, that the principle of the Potter Law (which is, of course, in no way abrogated by change or repeal of particular measures devised to give expression to it) is either confiscation, or, if another phrase be more agreeable, the change of railroads from pieces of private property, owned and managed for the benefit of those who have invested their money in them, into eleemosynary or charitable corporations, managed not for the profit of the owners, but for the benefit of a particular class of applicants for outdoor relief—the farmers; and, more than this, such farmers only as happen to live along the line. There is no reason, either, why this new principle should be applied only to railroads. If true of them, it is equally true of all corporations incorporated by private capital for ends of anything like a public character—such as newspapers, hotels, telegraph companies, and all factories for the manufacture of necessary articles, particularly those dedicated by law to public uses by protection against foreign competition. That this is the principle which the Grangers wish to have embedded in the structure of the law of the country, we deduce from several considerations: first, from the inevitable nature of the legal arguments used; second, from the inevitable analogy between the property attacked and those other kinds we have just enumerated; third, from the temper and general tone of the arguments by which the Grangers support their claim; and, fourth, by the only example of what they demand and are satisfied with in the way of judicial support—the opinion of the Supreme Court of Wisconsin on the constitutionality of the Potter Law—an opinion vastly more important and dangerous than the law itself, since the law might be considered the effect of a mere gust of passion, while the opinion was put forth as a calm and dispassionate statement of legal duties and liabilities.

With regard to the use of the word "confiscation," which many people seem to think so unnecessarily harsh and unjust, we must say that the common notion that people who make an attack on other people's property begin their movement by crying "Go to, let us rob, and plunder, and destroy," is incorrect. Almost all schemes of spoliation in modern times make a pretence to morality of some kind, as we may see now in the South, where property is taxed into the pockets of men like Casey, Kellogg, and Moses in order that "the negro may be protected," or in the Paris Commune, where a great deal of the most valuable property was destroyed, and all private own-

ers threatened with confiscation, and general anarchy introduced, in order to bring in an era of liberty, fraternity, and equality. So, too, the repudiation of the five-twenty bonds is demanded by large bodies of people on the ground that speculators have made too much money out of their issue, or because justice requires that we should abide by the "letter of the law." Therefore, in saying that the decision of the Wisconsin Supreme Court is a decision in favor of confiscation, we do not mean that Chief-Justice Ryan and his associates are in the habit, when not holding court, of robbing on the highway, or even mean to encourage robbery, but to call the attention of investors and property-owners to the fact that the highest court of that State has solemnly decided, on the demand of the State Attorney-General, that the right to confiscate for the benefit of a class is part of the fundamental law of the country. A railroad charter, they say, is certainly a contract, but the State of Wisconsin has reserved the right to alter it at pleasure, and of the expediency and justice of the alteration they are sole judges. Railroads may, it is true, issue bonds guaranteed by all their property and vested rights, but the purchasers of these bonds take them at their peril, and subject to the right of the legislature to deprive them of all their value. To say that the legislature would be incapable of such folly is no answer; because, if we may judge by experience, there is no folly of which legislatures are incapable.

In saying that such legislation as the Potter Law converts a private company into a charitable society for the benefit of a particular class, we are really understating the case. A charity is as a general thing supported by funds raised by taxation, and thus contributed by the whole community, or it is supported by private funds voluntarily given by the founder or the associates. But railroads, if their earnings are to be determined by the legislature, are made into involuntary charities. They become charities which are supported by forced contributions levied upon the owners of the stock and bonds. A railroad becomes a sort of God's highway, on which everybody has a natural as well as constitutional right to travel and to transport goods, at the expense of the kind-hearted people who built it. This is charity with a vengeance. It is, indeed, exactly the way in which an invading army uses railroads in time of war.

Such being the legal foundation on which the movement rests, what is the temper in which it is advocated? Is their demand a calm and manly appeal to the public for the redress of proved grievances, or is it a petulant, noisy, and confused clamor for no one knows exactly what? We have before us a number of the *Journal of Social Science*, published six months ago, containing what purports to be a temperate statement of the farmer's grievances by Mr. Willard C. Flagg, president of the Illinois State Farmers' Association. We have looked through it in vain for any discussion of the cost of transportation—a question which of course is the hinge on which any reform must turn; but what we do find, on the first page, is a sort of historical parallel between the post-mediæval peasantry of France and the agricultural capitalists of the grain-producing States of the Northwest:

"One sees," says Mr. Flagg, quoting La Bruyère, "certain wild animals, both male and female, scattered about the country, livid, and roasted by the sun, bent over the soil, which they scratch and dig up with invincible persistence; and when they stand upright they display a human face, for in truth they are men and women. At night they retire to their dens, where they feed on black bread, water, and roots. They spare other people the trouble of digging and sowing and reaping; they deserve not to be deprived of the bread they have produced." "So," continues Mr. Flagg, "allowing for differences in civilization, it has been in all ages. The robber baron, the mediæval merchant, the despotic tax-gatherer, reappear in merchant princes, 'protected' manufacturers, 'national' bankers, and railway 'magnates.'"

And this is what is considered a temperate and scientific way of approaching the subject. Turning to the proceedings of the Illinois State Farmers' Association itself, held six months before this (a report which persons are reminded in the introductory remarks is an "*educational* document"), we find in turning over the first few pages, among other educational material, a resolution introduced for the reconstruction of the courts on "principles of common sense"—the only principle mentioned being that people ought to argue their own cases as far as possible without aid from lawyers or any resort to appeals; second, a resolution to the effect that property "should bring a reasonable per cent. of profit," and that "the owner has the right to fix such reasonable per cent."; third, a resolution that the existing doctrine of "vested rights" of railroads "belongs to a past age," and "has no legitimate place in the jurisprudence of a free people"; besides any number of denunciations of specie payments, and among these a long paper by Mr. H. H. Day, of New York, in the

course of which he refers to Mr. John Sherman, chairman of the Senate Finance Committee, as one of a gang of "banditti," and declares that "the first act signed by Ulysses S. Grant swept a thousand millions into the pocket of the specie-basis usurers, and added just so much to the shoulders of the toiling people, and laid the foundation for national decay." In short, we find in these temperate sociological and educational tracts the same sort of violent and irrational language with which the public is more familiar in such reports as that of Mr. Osborn, the Wisconsin Commissioner, who talks of the owners and managers of railroad securities as "these buccaneers of the nineteenth century."

We feel it to be our duty to warn all investors that they will be very foolish to trust any of their money to legislatures which pass such laws as the Potter Act, to judges who decide such laws constitutional, or to communities which produce such contributions to social science and popular education as those from which we have quoted, without the guarantee which an authoritative decision of the United States Supreme Court alone can give. We want to know, and to know finally when we buy one, what a railroad bond or share of stock actually is. Is it, as we are accustomed to consider, property, just as much as houses and furniture, or is it, as Chief-Justice Ryan assures us, a contract between two persons having a value to be determined at the pleasure of a third, to be increased or enhanced as the changing majority of an agricultural legislature happens to view with favor or dislike the railroad system of the country? It is one of the marks of a civilized, as distinguished from a barbarous state of society, that in the former what we call property is protected equally, whether it consists of lands and houses, or of mere evidences of value—paper credits, or bonded debt. If in the era of progress to which the farmers' movement proposes to introduce us, we are going back to a condition of society in which the only sort of property which we can call our own is that which we can make our own by physical possession, it is certainly important to every one to know it, and the only body which can really tell us is the Supreme Court at Washington.

Munn v. *Illinois*

OPINION OF THE SUPREME COURT

Mr. Chief Justice Waite delivered the opinion of the court.

The question to be determined in this case is whether the general assembly of Illinois can, under the limitations upon the legislative power of the States imposed by the Constitution of the United States, fix by law the maximum of charges for the storage of grain in warehouses at Chicago and other places in the State having not less than one hundred thousand inhabitants, "in which grain is stored in bulk, and in which the grain of different owners is mixed together, or in which grain is stored in such a manner that the identity of different lots or parcels cannot be accurately preserved."

It is claimed that such a law is repugnant—

1. To that part of sect. 8, art. 1, of the Constitution of the United States which confers upon Congress the power "to regulate commerce with foreign nations and among the several States;"

2. To that part of sect. 9 of the same article which provides that "no preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another;" and

3. To that part of amendment 14 which ordains that no State shall "deprive any person of life, liberty, or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

We will consider the last of these objections first.

Every statute is presumed to be constitutional. The courts ought not to declare one to be unconstitutional, unless it is clearly so. If there is doubt, the expressed will of the legislature should be sustained.

The Constitution contains no definition of the word "deprive," as used in the Fourteenth Amendment. To determine its signification, therefore, it is necessary to ascertain the effect which usage has given it, when employed in the same or a like connection.

While this provision of the amendment is new in the Constitution of the United States, as a limitation upon the powers of the States, it is old as a principle of civilized government. It is found in Magna Charta, and, in substance if not in form, in nearly or quite all the constitutions that have been from time to time adopted by the several States of the Union. By the Fifth Amendment, it was introduced into the Constitution of the United States as a limitation upon the powers of the national government, and by the Fourteenth, as a guaranty against any encroachment upon an ac-

knowledged right of citizenship by the legislatures of the States.

When the people of the United Colonies separated from Great Britain, they changed the form, but not the substance, of their government. They retained for the purposes of government all the powers of the British Parliament, and through their State constitutions, or other forms of social compact, undertook to give practical effect to such as they deemed necessary for the common good and the security of life and property. All the powers which they retained they committed to their respective States, unless in express terms or by implication reserved to themselves. Subsequently, when it was found necessary to establish a national government for national purposes, a part of the powers of the States and of the people of the States was granted to the United States and the people of the United States. This grant operated as a further limitation upon the powers of the States, so that now the governments of the States possess all the powers of the Parliament of England, except such as have been delegated to the United States or reserved by the people. The reservations by the people are shown in the prohibitions of the constitutions.

When one becomes a member of society, he necessarily parts with some rights or privileges which, as an individual not affected by his relations to others, he might retain. "A body politic," as aptly defined in the preamble of the Constitution of Massachusetts, "is a social compact by which the whole people covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common good." This does not confer power upon the whole people to control rights which are purely and exclusively private, *Thorpe* v. *R. & B. Railroad Co.*, 27 Vt. 143; but it does authorize the establishment of laws requiring each citizen to so conduct himself, and so use his own property, as not unnecessarily to injure another. This is the very essence of government and has found expression in the maxim *sic utere tuo ut alienum non lædas*. From this source come the police powers, which, as was said by Mr. Chief Justice Taney in the *License Cases*, 5 How. 583, "are nothing more or less than the powers of government inherent in every sovereignty, . . . that is to say, . . . the power to govern men and things." Under these powers the government regulates the conduct of its citizens one towards another, and the manner in which each shall use his own property, when such regulation becomes necessary for the public good. In their exercise it has been customary in England from time immemorial, and in this country from its first colonization, to regulate ferries, common carriers, hackmen, bakers, millers, wharfingers, innkeepers, &c., and in so doing to fix a maximum of charge to be made for services rendered, accommodations furnished, and articles sold. To this day, statutes are to be found in many of the States upon some or all these subjects; and we think it has never yet been successfully contended that such legislation came within any of the constitutional prohibitions against interference with private property. With the Fifth Amendment in force, Congress, in 1820, conferred power upon the city of Washington "to regulate . . . the rates of wharfage at private wharves, . . . the sweeping of chimneys, and to fix the rates of fees therefor, . . . and the weight and quality of bread," 3 Stat. 587, sect. 7; and, in 1848, "to make all necessary regulations respecting hackney carriages and the rates of fare of the same, and the rates of hauling by cartmen, wagoners, carmen, and draymen, and the rates of commission of auctioneers," 9 id. 224, sect. 2.

From this it is apparent that, down to the time of the adoption of the Fourteenth Amendment, it was not supposed that statutes regulating the use, or even the price of the use, of private property necessarily deprived an owner of his property without due process of law. Under some circumstances they may, but not under all. The amendment does not change the law in this particular: it simply prevents the States from doing that which will operate as such a deprivation.

This brings us to inquire as to the principles upon which this power of regulation rests, in order that we may determine what is within and what without its operative effect. Looking, then, to the common law, from whence came the right which the Constitution protects, we find that when private property is "affected with a public interest, it ceases to be *juris privati* only." This was said by Lord Chief Justice Hale more than two hundred years ago, in his treatise *De Portibus Maris*, 1 Harg. Law Tracts, 78, and has been accepted without objection as an essential element in the law of property ever since. Property does become clothed with a public interest when used in a manner to make it of public consequence, and affect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created. He may withdraw his grant by discontinuing the use; but, so long as he maintains the use, he must submit to the control. . . .

Common carriers exercise a sort of public office, and have duties to perform in which the public is interested. *New Jersey Nav. Co.* v. *Merchants' Bank*, 6 How. 382. Their business is, therefore, "affected with a public interest," within the meaning of the doctrine which Lord Hale has so forcibly stated.

But we need not go further. Enough has already been said to show that, when private property is devoted to a public use, it is subject to public regulation. It remains only to ascertain whether the warehouses of these plaintiffs in error, and the business which is carried on there, come within the operation of this principle.

For this purpose we accept as true the statements of fact contained in the elaborate brief of one of the counsel of the plaintiffs in error. . . .

In this connection it must also be borne in mind that, although in 1874 there were in Chicago fourteen warehouses adapted to this particular business, and owned by about thirty persons, nine business firms controlled them, and that the prices charged and received for storage were such "as have been from year to year agreed upon and established by the different elevators or warehouses in the city of Chicago, and which rates have been annually published in one or more newspapers printed in said city, in the month of January in each year, as the established rates for the year then next ensuing such publication." Thus it is apparent that all the elevating facilities through which these vast productions "of seven or eight great States of the West" must pass on the way "to four or five of the States on the seashore" may be a "virtual" monopoly.

Under such circumstances it is difficult to see why, if the common carrier, or the miller, or the ferryman, or the innkeeper, or the wharfinger, or the baker, or the cartman, or the hackney-coachman, pursues a public employment and exercises "a sort of public office," these plaintiffs in error do not. They stand, to use again the language of their counsel, in the very "gateway of commerce," and take toll from all who pass. Their business most certainly "tends to a common charge, and is become a thing of public interest and use." Every bushel of grain for its passage "pays a toll, which is a common charge," and, therefore, according to Lord Hale, every such warehouseman "ought to be under public regulation, viz., that he . . . take but reasonable toll." Certainly, if any business can be clothed "with a public interest, and cease to be *juris privati* only," this has been. It may not be made so by the operation of the Constitution of Illinois or this statute, but it is by the facts. . . .

For our purposes we must assume that, if a state of facts could exist that would justify such legislation, it actually did exist when the statute now under consideration was passed. For us the question is one of power, not of expediency. If no state of circumstances could exist to justify such a statute, then we may declare this one void, because in excess of the legislative power of the State. But if it could, we must presume it did. Of the propriety of legislative interference within the scope of legislative power, the legislature is the exclusive judge.

Neither is it a matter of any moment that no precedent can be found for a statute precisely like this. It is conceded that the business is one of recent origin, that its growth has been rapid, and that it is already of great importance. And it must also be conceded that it is a business in which the whole public has a direct and positive interest. It presents, therefore, a case for the application of a long-known and well-established principle in social science, and this statute simply extends the law so as to meet this new development of commercial progress. There is no attempt to compel these owners to grant the public an interest in their property, but to declare their obligations, if they use it in this particular manner.

It matters not in this case that these plaintiffs in error had built their warehouses and established their business before the regulations complained of were adopted. What they did was from the beginning subject to the power of the body politic to require them to conform to such regulations as might be established by the proper authorities for the common good. They entered upon their business and provided themselves with the means to carry it on subject to this condition. If they did not wish to submit themselves to such interference, they should not have clothed the public with an interest in their concerns. The same principle applies to them that does to the proprietor of a hackney-carriage, and as to him it has never been supposed that he was exempt from regulating statutes or ordinances because he had purchased his horses and carriage and established his business before the statute or the ordinance was adopted.

It is insisted, however, that the owner of property is entitled to a reasonable compensation for its use, even though it be clothed with a public interest, and that what is reasonable is a judicial and not a legislative question.

As has already been shown, the practice has been otherwise. In countries where the common law prevails, it has been customary from time immemorial for the legislature to declare what shall

be a reasonable compensation under such circumstances, or, perhaps more properly speaking, to fix a maximum beyond which any charge made would be unreasonable. Undoubtedly, in mere private contracts, relating to matters in which the public has no interest, what is reasonable must be ascertained judicially. But this is because the legislature has no control over such a contract. So, too, in matters which do affect the public interest, and as to which legislative control may be exercised, if there are no statutory regulations upon the subject, the courts must determine what is reasonable. The controlling fact is the power to regulate at all. If that exists, the right to establish the maximum of charge, as one of the means of regulation, is implied. In fact, the common-law rule, which requires the charge to be reasonable, is itself a regulation as to price. Without it the owner could make his rates at will, and compel the public to yield to his terms, or forego the use. . . .

We know that this is a power which may be abused; but that is no argument against its existence. For protection against abuses by legislatures the people must resort to the polls, not to the courts. . . .

We come now to consider the effect upon this statute of the power of Congress to regulate commerce. . . .

It was very properly said in the case of the *State Tax on Railway Gross Receipts*, 15 Wall. 293, that "it is not every thing that affects commerce that amounts to a regulation of it, within the meaning of the Constitution." The warehouses of these plaintiffs in error are situated and their business carried on exclusively within the limits of the State of Illinois. They are used as instruments by those engaged in State as well as those engaged in inter-state commerce, but they are no more necessarily a part of commerce itself than the dray or the cart by which, but for them, grain would be transferred from one railroad station to another. Incidentally they may become connected with inter-state commerce, but not necessarily so. Their regulation is a thing of domestic concern, and, certainly, until Congress acts in reference to their inter-state relations, the State may exercise all the powers of government over them, even though in so doing it may indirectly operate upon commerce outside its immediate jurisdiction. We do not say that a case may not arise in which it will be found that a State, under the form of regulating its own affairs, has encroached upon the exclusive domain of Congress in respect to inter-state commerce, but we do say that, upon the facts as they are represented to us in this record, that has not been done. . . .

MR. JUSTICE FIELD AND MR. JUSTICE STRONG DISSENTED

MR. JUSTICE FIELD. I am compelled to dissent from the decision of the court in this case, and from the reasons upon which that decision is founded. The principle upon which the opinion of the majority proceeds is, in my judgment, subversive of the rights of private property, heretofore believed to be protected by constitutional guaranties against legislative interference, and is in conflict with the authorities cited in its support.

The defendants had constructed their warehouse and elevator in 1862 with their own means, upon ground leased by them for that purpose, and from that time until the filing of the information against them had transacted the business of receiving and storing grain for hire. The rates of storage charged by them were annually established by arrangement with the owners of different elevators in Chicago, and were published in the month of January. In 1870 the State of Illinois adopted a new constitution, and by it "all elevators or storehouses where grain or other property is stored for a compensation, whether the property stored be kept separate or not, are declared to be public warehouses."

In April, 1871, the legislature of the State passed an act to regulate these warehouses, thus declared to be public, and the warehousing and inspection of grain, and to give effect to this article of the Constitution. . . .

The question presented, therefore, is one of the greatest importance,—whether it is within the competency of a State to fix the compensation which an individual may receive for the use of his own property in his private business, and for his services in connection with it.

The declaration of the Constitution of 1870, that private buildings used for private purposes shall be deemed public institutions, does not make them so. The receipt and storage of grain in a building erected by private means for that purpose does not constitute the building a public warehouse. There is no magic in the language, though used by a constitutional convention, which can change a private business into a public one, or alter the character of the building in which the business is transacted. A tailor's or a shoemaker's shop would still retain its private character, even though the assembled wisdom of the State should declare, by organic act or legislative ordinance,

that such a place was a public workshop, and that the workmen were public tailors or public shoemakers. One might as well attempt to change the nature of colors, by giving them a new designation. The defendants were no more public warehousemen, as justly observed by counsel, than the merchant who sells his merchandise to the public is a public merchant, or the blacksmith who shoes horses for the public is a public blacksmith; and it was a strange notion that by calling them so they would be brought under legislative control.

The Supreme Court of the State—divided, it is true, by three to two of its members—has held that this legislation was a legitimate exercise of State authority over private business; and the Supreme Court of the United States, two only of its members dissenting, has decided that there is nothing in the Constitution of the United States, or its recent amendments, which impugns its validity. It is, therefore, with diffidence I presume to question the soundness of the decision.

The validity of the legislation was, among other grounds, assailed in the State court as being in conflict with that provision of the State Constitution which declares that no person shall be deprived of life, liberty, or property without due process of law, and with that provision of the Fourteenth Amendment of the Federal Constitution which imposes a similar restriction upon the action of the State. The State court held, in substance, that the constitutional provision was not violated so long as the owner was not deprived of the title and possession of his property; and that it did not deny to the legislature the power to make all needful rules and regulations respecting the use and enjoyment of the property, referring, in support of the position, to instances of its action in prescribing the interest on money, in establishing and regulating public ferries and public mills, and fixing the compensation in the shape of tolls, and in delegating power to municipal bodies to regulate the charges of hackmen and draymen, and the weight and price of bread. In this court the legislation was also assailed on the same ground, our jurisdiction arising upon the clause of the Fourteenth Amendment, ordaining that no State shall deprive any person of life, liberty, or property without due process of law. But it would seem from its opinion that the court holds that property loses something of its private character when employed in such a way as to be generally useful. The doctrine declared is that property "becomes clothed with a public interest when used in a manner to make it of public consequence, and affect the community at large;" and from such clothing the right of the legislature is deduced to control the use of the property, and to determine the compensation which the owner may receive for it. When Sir Matthew Hale, and the sages of the law in his day, spoke of property as affected by a public interest, and ceasing from that cause to be *juris privati* solely, that is, ceasing to be held merely in private right, they referred to property dedicated by the owner to public uses, or to property the use of which was granted by the government, or in connection with which special privileges were conferred. Unless the property was thus dedicated, or some right bestowed by the government was held with the property, either by specific grant or by prescription of so long a time as to imply a grant originally, the property was not affected by any public interest so as to be taken out of the category of property held in private right. But it is not in any such sense that the terms "clothing property with a public interest" are used in this case. From the nature of the business under consideration—the storage of grain—which, in any sense in which the words can be used, is a private business, in which the public are interested only as they are interested in the storage of other products of the soil, or in articles of manufacture, it is clear that the court intended to declare that, whenever one devotes his property to a business which is useful to the public,—"affects the community at large,"—the legislature can regulate the compensation which the owner may receive for its use, and for his own services in connection with it. "When, therefore," says the court, "one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created. He may withdraw his grant by discontinuing the use; but, so long as he maintains the use, he must submit to the control." The building used by the defendants was for the storage of grain: in such storage, says the court, the public has an interest; therefore the defendants, by devoting the building to that storage, have granted the public an interest in that use, and must submit to have their compensation regulated by the legislature.

If this be sound law, if there be no protection, either in the principles upon which our republican government is founded, or in the prohibitions of the Constitution against such invasion of private rights, all property and all business in the State are held at the mercy of a majority of its legislature. The public has no greater interest in the use of buildings for the storage of grain than it has in

the use of buildings for the residences of families, nor, indeed, any thing like so great an interest; and, according to the doctrine announced, the legislature may fix the rent of all tenements used for residences, without reference to the cost of their erection. If the owner does not like the rates prescribed, he may cease renting his houses. He has granted to the public, says the court, an interest in the use of the buildings, and "he may withdraw his grant by discontinuing the use; but, so long as he maintains the use, he must submit to the control." The public is interested in the manufacture of cotton, woollen, and silken fabrics, in the construction of machinery, in the printing and publication of books and periodicals, and in the making of utensils of every variety, useful and ornamental; indeed, there is hardly an enterprise or business engaging the attention and labor of any considerable portion of the community, in which the public has not an interest in the sense in which that term is used by the court in its opinion; and the doctrine which allows the legislature to interfere with and regulate the charges which the owners of property thus employed shall make for its use, that is, the rates at which all these different kinds of business shall be carried on, has never before been asserted, so far as I am aware, by any judicial tribunal in the United States.

The doctrine of the State court, that no one is deprived of his property, within the meaning of the constitutional inhibition, so long as he retains its title and possession, and the doctrine of this court, that, whenever one's property is used in such a manner as to affect the community at large, it becomes by that fact clothed with a public interest, and ceases to be *juris privati* only, appear to me to destroy, for all useful purposes, the efficacy of the constitutional guaranty. All that is beneficial in property arises from its use, and the fruits of that use; and whatever deprives a person of them deprives him of all that is desirable or valuable in the title and possession. If the constitutional guaranty extends no further than to prevent a deprivation of title and possession, and allows a deprivation of use, and the fruits of that use, it does not merit the encomiums it has received. Unless I have misread the history of the provision now incorporated into all our State constitutions, and by the Fifth and Fourteenth Amendments into our Federal Constitution, and have misunderstood the interpretation it has received, it is not thus limited in its scope, and thus impotent for good. It has a much more extended operation than either court, State, or Federal has given to it. The provision, it is to be observed, places property under the same protection as life and liberty. Except by due process of law, no State can deprive any person of either. The provision has been supposed to secure to every individual the essential conditions for the pursuit of happiness; and for that reason has not been heretofore, and should never be, construed in any narrow or restricted sense.

No State "shall deprive any person of life, liberty, or property without due process of law," says the Fourteenth Amendment to the Constitution. By the term "life," as here used, something more is meant than mere animal existence. The inhibition against its deprivation extends to all those limbs and faculties by which life is enjoyed. The provision equally prohibits the mutilation of the body by the amputation of an arm or leg, or the putting out of an eye, or the destruction of any other organ of the body through which the soul communicates with the outer world. The deprivation not only of life, but of whatever God has given to every one with life, for its growth and enjoyment, is prohibited by the provision in question, if its efficacy be not frittered away by judicial decision.

By the term "liberty," as used in the provision, something more is meant than mere freedom from physical restraint or the bounds of a prison. It means freedom to go where one may choose, and to act in such manner, not inconsistent with the equal rights of others, as his judgment may dictate for the promotion of his happiness; that is, to pursue such callings and avocations as may be most suitable to develop his capacities, and give to them their highest enjoyment.

The same liberal construction which is required for the protection of life and liberty, in all particulars in which life and liberty are of any value, should be applied to the protection of private property. If the legislature of a State, under pretence of providing for the public good, or for any other reason, can determine, against the consent of the owner, the uses to which private property shall be devoted, or the prices which the owner shall receive for its uses, it can deprive him of the property as completely as by a special act for its confiscation or destruction. If, for instance, the owner is prohibited from using his building for the purposes for which it was designed, it is of little consequence that he is permitted to retain the title and possession; or, if he is compelled to take as compensation for its use less than the expenses to which he is subjected by its ownership, he is, for all practical purposes, deprived of the property, as effectually as if the legislature had ordered his forcible dispossession. If it be admitted that the legislature has any con-

trol over the compensation, the extent of that compensation becomes a mere matter of legislative discretion. The amount fixed will operate as a partial destruction of the value of the property, if it fall below the amount which the owner would obtain by contract, and, practically, as a complete destruction, if it be less than the cost of retaining its possession. There is, indeed, no protection of any value under the constitutional provision, which does not extend to the use and income of the property, as well as to its title and possession. . . .

LABOR

THE WORKERS of America were organizing, too. After the Civil War, the Knights of Labor made its appearance and Terence V. Powderly (1849–1924) became its Grand Master Workman. A machinist's apprentice at fifteen, Powderly had been so active in the Machinists' and Blacksmiths' Union that he was among the first men to be blacklisted in 1873. A period of tramping and riding the rods had given him firsthand knowledge of the world of the unemployed. When Powderly returned to the Pennsylvania district where he had been reared, he was ready to join the Knights of Labor, a secret society founded at Philadelphia in 1869 to protect its garment-cutter members from employer persecution. The Knights spread into western Pennsylvania and by the end of the seventies had begun to acquire power. Though its greatest development did not come until the next decade, the Knights of Labor retained the platform and objectives of its founders.

Neither a craft union nor a federation of trades, the Knights combined both these elements of labor organization with benevolent purposes and the attractions of secrecy besides. Unlike the craft unions, the Knights made especial effort to win unorganized unskilled laborers; and this gave rise to much of its early strength and also to many of the weaknesses that helped destroy it.

In the seventies, however, the Knights of Labor was in its earlier stage of development; it retained not only the method of secrecy, which it was to drop, but also the spirit of conciliation and cooperation. Unlike the "pure and simple" unionism of the later American Federation of Labor trade unions, the Knights of Labor had a political program and a social hope: the replacing of the wage system by true industrial cooperation.

The selection here reprinted is from Powderly's *Thirty Years of Labor* (Columbus, Ohio, 1889).

Thirty Years of Labor

BY T. V. POWDERLY

THE FOUNDING OF THE KNIGHTS OF LABOR

. . . AMONG THOSE who had been carefully scanning the field of operations, and studying the signs of the times, were the garment cutters of Philadelphia, who, as soon as the movement in favor of a reduction of wages made itself visible, called a meeting in the autumn of 1862, and passed resolutions which declared that they were entitled to a fair compensation for labor done, and would accept nothing less. From this meeting grew the organization afterwards known as the "Garment Cutters' Association of Philadelphia." It grew in strength and influence. It had on the roll of membership some of the ablest men who toiled for a living in Philadelphia; and it was particularly fortunate in selecting for the first corps of officers the best and brightest men in the craft.

The care and attention which had been displayed in the election of the first set of officers became a precedent by which officers were chosen at following elections, and gave to the ASSOCIATION A STANDING among the garment cutters which it would not otherwise have had. This association continued in existence for a number of years.

Having served the purposes for which it was first organized, it became a beneficial association, taking care of the sick and disabled members, and assisting many members of the trade who were not in affiliation with the association. In the early spring of 1869, a lack of interest having manifested

itself among the members, it was deemed advisable by some to introduce new features, and make some changes which innovations in work-shop regulation seemed to demand.

One Sunday afternoon two members of the association, Uriah S. Stephens and Henry L. Sinexon, met by appointment, and took a walk in the direction of League Island. While sauntering along, Mr. Stephens complained bitterly of the lack of interest manifested by the members of the Garment Cutters' Association. . . .

Mr. Sinexon asked his companion if he had given any thought to the formulation of any plans; the reply was: "No, but I am determined to make an effort to institute something different. When the dissolution takes place I shall make an effort to get some good men together and originate something that will be different from what we have ever had. . . ."

In this way these two men discussed various measures of reform for several hours, and finally parted with the understanding that each was to invite a chosen few to meet at a certain spot in Fairmount Park on the following Sunday. The meeting in the park was attended by eight or nine of the older and more reliable of the Garment Cutters' Association. They agreed to draw up plans for the organization of a new order, and to submit them at a subsequent meeting. On several Sundays these meetings were held in the park. The men who met would take three of the park benches and place them in the form of a triangle. They would then sit on the inside of the triangle, and each one would read off the plans he had drawn up during the week. Mr. Stephens usually occupied the post of honor in the center, and at the close of each meeting all papers would be placed in his possession for consideration. Should it happen to rain while they were in session, they would seek the shelter of one of the park buildings, and there continue to perfect their plans. They continued to meet in this way for months. When the weather grew too cold for them to meet in the park they held their sessions in the homes of the members until their plans were well matured.

On December 9, 1869, a resolution was offered at a meeting of the Garment Cutters' Association: "To dissolve and divide the funds among the members in good standing." The motion met with but little opposition, and its passage was PRACTICALLY UNANIMOUS.

Immediately after the dissolution of the Garment Cutters' Association, several members from among those who had made a study for several months of the best means of inaugurating a new movement among the garment cutters, met in the hall of the American Hose Company, on Jayne street, below Seventh, and proceeded to organize by electing Jas. L. Wright as temporary chairman, and Robert McCauley as temporary secretary. After a free and deliberate discussion of the subject of organization, the question was put to each person present: "Have you any objections to connect yourself with a secret organization?" The following answered in the negative by stating that they had no objections to offer: James L. Wright, Wm. H. Phillips, U. S. Stephens, Robert McCauley, William Cook, James M. Hilsea, Joseph S. Kennedy, Robert W. Keen, and David Westcott.

Mr. Keen was then placed in charge of the door, a pledge of SECRECY WAS ADMINISTERED to all present, and a password was given out to be used on subsequent occasions. Various plans were considered, and the measures which had been under discussion for months by the few who had busied themselves with the work of bringing the new order into being, were referred to a committee consisting of U. S. Stephens, R. W. Keen, David Westcott, Joseph S. Kennedy, James M. Hilsea, James L. Wright, and Robert McCauley, with instructions to meet and prepare, from the documents placed in their possession, a secret work, such as would be suitable for the government of such a body. It was agreed at this meeting that no further mention would be made to any one who was not present, except those who had taken part in the preliminary discussions, which had taken place in the park and at other places. . . .

The third meeting was held at the house of Jos. S. Kennedy, on December 28, 1869. At this meeting the name of the new association was made a subject for discussion, and it was decided to call it THE KNIGHTS OF LABOR, and the local name of the body was to be Garment Cutters' Assembly. It was reported that a room could be secured in the United States Engine House, at Fourth and Vine Streets, and Messrs. Keen and McCauley were appointed to engage the room. The committee made a partial report, and recommended a form of obligation to which U. S. Stephens, R. W. Keen, James L. Wright, James M. Hilsea, Joseph S. Kennedy, William Cook, and Robert McCauley subscribed.

This meeting began the permanent organization of the first Assembly of the Knights of Labor. At the next meeting, which was held in the room which had been secured in the United States Engine House, on December 30, 1869, the committee on ritual reported progress, and G. W. Cook, H. L. Sinexon, W. C. Yost, Samuel Wright, G. W.

Hornberger, and James Barron, were elected to membership.

On January 6, 1870, the first regular officers were elected after the committee on ritual recommended what titles the officers should be known by. It was decided to call the retiring presiding officer Venerable Sage, the presiding officer Master Workman. The next officer in rank to be known as Worthy Foreman. The other officers were to be known as Worthy Inspector, Unknown Knight, Recording Secretary, Financial Secretary, and Treasurer. James L. Wright, who had occupied the position of presiding officer, was appointed Venerable Sage, and Uriah S. Stephens was elected the first Master Workman for the year beginning January, 1870. . . .

On October 20th the first person not a garment cutter was proposed as a sojourner in Assembly No. 1. In order to SPREAD THE BENEFITS of organization among workingmen, it was allowed to initiate good men of all callings, and to allow them the benefits of association on the same footing with the garment cutters, except in deciding trade matters. Sojourners were not required to pay any dues until such time as enough of their own calling had been initiated to form a separate assembly. The sojourner was admitted that he might become a missionary among his fellow-tradesmen; he was to be an instructor and an organizer.

This departure from the original plan of the assembly was the first real step in advance of the old system of organization that was made, and from the 20th of October, 1870, dates this history of the order of the Knights of Labor as something in advance of, and differing from, the exclusive trade union. From its inception Assembly No. 1 was more exclusively a trade organization than any trade union that had ever existed in the United States. None but garment cutters, who could prove that they had served a stated term as apprentices, were admitted. The principles of cooperation and assistance were to be confined to a few who could pass examination as first-class workmen. The REAL WORK OF KNIGHTHOOD had not yet started, and the founders of the first assembly, with the exception of Uriah S. Stephens, William Fennimore, and Henry L. Sinexon, were as much interested in trade matters as any person who belonged to a trade union. Compared with the trade unions of that day the first assembly of the Knights of Labor was far behind them in toleration and fellowship.

The idea which Stephens and Sinexon discussed at the outset was not put in practice until the adoption of the motion, made by the latter, threw open the doors for the admission of other workmen than garment cutters. From that moment began the progressive work of the Knights of Labor.

The ideal organization for which the workers in the National Labor Union and the Industrial Brotherhood had sought in vain, loomed up before the eyes of those who were members of the new order in 1870. From that moment organization took on a new significance, and assumed more DIGNIFIED AND IMPORTANT proportions. Trade lines were no longer powerful enough or sufficient to encompass the toilers who sought protection, as much from their own errors through their ignorance of the rights and duties of each other, as from the encroachments of unscrupulous employers. The secrecy which enshrouded the new order made it difficult to organize, and it was a process slow of operation to propose, elect, and initiate a candidate. . . .

When a member found a man who was considered worthy of admission, he was questioned as to his opinions concerning the elevation of labor, and if his sentiments were found to be in accord with the objects of the society, his name would be brought before a meeting of the organization, the local name of which was "Garment Cutters' Assembly No. 1." A committee would be appointed to make an investigation into the qualifications of the person proposed. The member who proposed the candidate was not allowed to act on the committee, for the reason that he might be swayed or INFLUENCED BY FRIENDSHIP in making his report. When the committee reported, the candidate was balloted for; if rejected, no further mention was made of the matter to any one. The candidate would be kept in ignorance of what had transpired; and the members, even those who had voted against his admission, would treat him with the same consideration in the workshop as before.

If the candidate was elected the friend who proposed him would on some pretext invite him to a meeting, a party, a ball, or a gathering of some kind, and manage to secure his presence at the regular meeting-place of the assembly on the night of initiation, and when the candidate for the first time learned that he was to enter a society as a new member, he was at the same time led to believe that his friend had also been invited there for the same purpose; so that in case of failure to initiate, the elected one would not even then know that his friend was connected with the society.

This method of securing members was kept up for several years, and became the rule with

all future assemblies. The reason for this EXTREME SECRECY was because it was claimed that open and public associations had, after centuries of toil and struggle, proved to be failures in one way or another. It was also claimed that when the association worked openly, so that its members might be known to the public, it exposed its members to the scrutiny, and in time, the wrath, of their employers. It was deemed best to work in such a way to avoid comment and scrutiny.

The troubles which were at that time attracting attention toward the coal fields from which Philadelphia received its principal supply of fuel, also influenced the members of the new order. Through open and public association the men of the coal fields allowed desperate men to gain admittance to their societies; and among the latter was the detective, who, in order to earn his salary, added to his treachery the crime of perjury and murder in order to make out a case against his fellow-men.

Where associations of workingmen are working openly it matters but little what laudable object they may have in view, men can always be had for a price who will deliberately enter a society as though actuated by the best of motives, and after ingratiating themselves in the good graces of the members, become leaders only to lead to ruin and death. Such things have been done in Pennsylvania, and it was to avoid the repetition of such a catastrophe that the first assembly of the Knights of Labor assumed the garb of secrecy which it wore until, with the rest of the order, it cast the outer covering aside, and announced to the world that there was such an organization as the Knights of Labor working for the EMANCIPATION OF THE WAGE-EARNER. . . .

It was not the intention to create an antagonism between labor and capital. No conflict with legitimate enterprise was contemplated, but the members realized that men who possessed wealth, in their haste and greed, blinded by self interest, often overlooked the interests of others less fortunate than they, and frequently violated the rights of such as they deemed helpless and defenceless.

Stephens and his co-laborers meant to uphold the dignity of labor, and to affirm the nobility of all who earned their daily bread in an honest way, but they swore unending enmity to every form of vice by which the poor were being fleeced for the benefit of the gamblers in the necessaries of life. It was their intention to work for the creation of a healthy public opinion on the subject of labor,—the only creator of values,—and to advocate the justice of its receiving a full, complete share of the values, or capital, it created. It was furthermore intended to support all laws that were made to HARMONIZE LABOR AND CAPITAL; for since labor gave life and value to capital, it was but just to place both upon an equality before the law. Laws which were intended to lighten the exhaustiveness of toil were to be supported and advocated, and new laws were to be advised in the interest of the worker. Every lawful and honorable means was to be resorted to to procure and retain employment for fellow-members, and it mattered not to what country, color, or creed the member belonged, if misfortune befell him, he was to receive the aid and comfort of his fellow-members. Strikes were discountenanced, but when it became justly necessary to make use of that weapon, it was intended to aid such members as might suffer loss. In short, it was the intention to extend a helping hand to every branch of trade which made a part of the vast industrial forces of the country. . . .

The fundamental principle on which the organization was based was co-operation, not a co-operation of men for the mere purpose of enhancing the value of their combined contributions to any productive enterprise alone, but a co-operation of the various callings and crafts by which men earned the right to remain upon the earth's surface as contributors to the public good. The barriers of trade were to be cast aside; the man who toiled, no matter at what, was to receive and enjoy the just fruits of his labor and exercise of his art whether, as a skilled artisan or the humblest of the toilers of the earth. . . .

On July 18, 1872, Assembly No. 2 was organized, and those who had been connected with No. 1 as sojourners took leave of the parent assembly for the purpose of organizing the SHIP CARPENTERS AND CAULKERS of Philadelphia and surroundings. The second assembly, once under way, the work of organization made rapid progress. Thomas Thompson, the Master Workman of Assembly No. 2, was an untiring worker, and left nothing undone to not only strengthen his own assembly, but to organize new ones. It was the practice to propose and initiate all sojourners in Assembly No. 1, and when a sufficient number were enlisted to draw them out, or allow them to sojourn to a new assembly of their own calling.

The organization of new assemblies did not prevent the workers of No. 1 from initiating persons whose crafts were organized. When a member of No. 1 discovered a man who would make a good member, he proposed his name in No. 1, had him initiated, and then gave him a card with

which to gain admittance to the assembly of his craft. . . .

With the organization of assemblies outside of Philadelphia, there arose a necessity for a UNIFORM CODE OF LAWS, as well as for a printed form of ritual. Up to this time the ritual was not printed. The work was enlarged upon and perfected as the order progressed. The committee on ritual continued to make its reports, adding new forms and ceremonies as the necessity for their use became apparent. It became necessary to have organizers stationed in the cities and towns where assemblies were organized to answer the call for organization as it arose. A trusted member of the order would be selected, his name would be submitted to Assembly No. 1, and if it was deemed satisfactory he would be authorized to organize and found assemblies. . . .

The first committee on constitution of the order of the Knights of Labor, appointed by Mr. Stephens, consisted of representatives Robert Schilling, Chairman; Ralph Beaumont, Thomas King, T. V. Powderly, and George S. Boyle. Two members of this committee, Messrs. Schilling and Powderly, were members of the Industrial Brotherhood; and though neither one knew that the other would be present, both brought with them a sufficient supply of constitutions of the I. B. to supply the body. The adoption of the preamble was left to these two, and a glance at it will show what changes were made in the declaration of principles whose history has been traced down from year to year since it was first adopted by the National Labor Union of 1866.

The committee on constitution adopted the constitution of the Industrial Brotherhood so far as practicable. The constitution, when printed, bore the same legend on the title page as was adopted at the Rochester meeting in 1874. The following is the preamble adopted at Reading, January 3, 1878: "When bad men combine, the good must associate, else they will fall, one by one, an unpitied sacrifice in a contemptible struggle."

PREAMBLE

The recent alarming development and aggression of aggregated wealth, which, unless checked, will invariably lead to the pauperization and hopeless degradation of the toiling masses, render it imperative, if we desire to enjoy the blessings of life, that a check should be placed upon its power and upon unjust accumulation, and a system adopted which will secure to the laborer the fruits of his toil; and as this much-desired object can only be accomplished by the thorough unification of labor, and the united efforts of those who obey the divine injunction that "In the sweat of thy brow shalt thou eat bread," we have formed the * * * * * * with a view of securing the organization and direction, by co-operative effort, of the power of the industrial classes; and we submit to the world the objects sought to be accomplished by our organization, calling upon all who believe in securing "the greatest good to the greatest number" to aid and assist us:—

I. To bring within the folds of organization every department of productive industry, making knowledge a stand-point for action, and industrial and moral worth, not wealth, the true standard of individual and national greatness.

II. To secure to the toilers a proper share of the wealth that they create; more of the leisure that rightfully belongs to them; more societary advantages; more of the benefits, privileges, and emoluments of the world; in a word, all those rights and privileges necessary to make them capable of enjoying, appreciating, defending, and perpetuating the blessings of good government.

III. To arrive at the true condition of the producing masses in their educational, moral, and financial condition, by demanding from the various governments the establishment of bureaus of Labor Statistics.

IV. The establishment of co-operative institutions, productive and distributive.

V. The reserving of the public lands—the heritage of the people—for the actual settler;—not another acre for railroads or speculators.

VI. The abrogation of all laws that do not bear equally upon capital and labor, the removal of unjust technicalities, delays, and discriminations in the administration of justice, and the adopting of measures providing for the health and safety of those engaged in mining, manufacturing, or building pursuits.

VII. The enactment of laws to compel chartered corporations to pay their employes weekly, in full, for labor performed during the preceding week, in the lawful money of the country.

VIII. The enactment of laws giving mechanics and laborers a first lien on their work for their full wages.

IX. The abolishment of the contract system on national, State, and municipal work.

X. The substitution of arbitration for strikes, whenever and wherever employers and employes are willing to meet on equitable grounds.

XI. The prohibition of the employment of children in workshops, mines and factories before attaining their fourteenth year.

XII. To abolish the system of letting out by contract the labor of convicts in our prisons and reformatory institutions.

XIII. To secure for both sexes equal pay for equal work.

XIV. The reduction of the hours of labor to eight per day, so that the laborers may have more time for social enjoyment and intellectual improvement, and be enabled to reap the advantages conferred by the labor-saving machinery which their brains have created.

XV. To prevail upon governments to establish a purely national circulating medium, based upon the faith and resources of the nation, and issued directly to the people, without the intervention of any system of banking corporations, which money shall be a legal tender in payment of all debts, public or private.

PANIC AND DEPRESSION

IN 1869, AS WE HAVE SEEN, David Wells warned Americans against certain structural weaknesses in their economy. To his voice was added that of J. E. Cairnes, the British economist, who found in America's unfavorable trade balance a real cause for alarm. Cairnes's *Some Leading Principles of Political Economy Newly Expounded* (London, 1874) was written before the depression of 1873–79 hit the United States, but his warning of course came too late. His analysis of one of the causes of business stagnation in America—having, of course, in mind that the depression was world-wide—throws interesting light on the country's international position as it was emerging out of a mercantile into an industrial economy.

Cairnes points out that great quantities of foreign capital had entered the United States during the Civil War and immediately after; as a result, the United States could continue to import more than it exported. But this could not proceed indefinitely; the day of reckoning must come. Americans must reduce costs; they must get rid of protectionism; and they must enter world markets with great quantities of goods if prosperity is to be assured in the United States. It will be observed that at certain points Cairnes takes issue with Wells. The selection here used is from the original edition of Cairnes's book.

The panic came in September, 1873, with the failure of the private banking house of Jay Cooke and Company. Other suspensions followed; banks shut their doors; the New York Stock Exchange closed; and New York banks were compelled to issue clearing-house certificates because currency was drained out of the city. The depression spread and was accompanied by agricultural distress and mass unemployment. The article reprinted from the New York *Commercial and Financial Chronicle* of August 7, 1875, gives a contemporary description of the country's economic difficulties.

The Federal government's only attempt to intervene was to force deflation even further by deciding to resume specie payments, which had been suspended in 1861. In 1875, an act was passed calling for resumption on January 1, 1879, and the Treasury proceeded to the business of accumulating a gold reserve toward that day by selling bonds. The reply of agrarians and their labor friends was a demand for the remonetization of silver. In other words, the government offered deflation as the way out; its opponents, inflation.

The silver agitation—which was to continue during the next quarter-century, in fact as long as commodity prices remained low—arose out of the fact that Congress had demonetized silver in 1873 because the price of silver was too high and it was therefore not being minted. But the discovery of new mines in America and the abandonment of silver by European countries generally now sent the price of the metal down; Americans soon learned that the "Crime of 1873"—as the silverites called the law of that year—had put a stop to the minting of silver dollars.

A more profound analysis of the country's difficulties and a remedy that struck a little closer to the realities came from the New York

Clearing House Association. In 1874, it issued a report calling attention to serious faults in the national banking system. The National Banking Act of 1864 incorporated real weaknesses; one of the most important was the method of handling reserves. Under the law, country banks were made to keep these reserves in "central reserve cities" of which New York was the leading one. Thus, New York banks accumulated large amounts of capital, and tended to lend these funds out on call to brokers to finance stock purchases. But the country funds had to flow out to meet the expenses of bringing in the harvests, and domestic exchanges therefore were being constantly disturbed. The Clearing House Report recommended that its member banks cease paying interest on deposits; it also proposed the rediscounting of commercial paper to render credit more fluid. These criticisms of the national banking system were too early to bear any fruit and it was not until 1913, with the passage of the Federal Reserve Act, that some of these ideas of 1874 were adopted. The selection used here is from a pamphlet edition of the report published in New York in 1874.

Some Leading Principles of Political Economy

BY J. E. CAIRNES

PART III, CHAPTER III: INTERNATIONAL VALUES

SEC. 7 . . . But the advent of the Civil War brought with it a series of events, each of potent influence, and which in their combination have sufficed to shake American trade to its centre, and to render the financial position of the Union in presence of Europe unprecedented and critical in the extreme. Of these events the most important were (1) the enactment of the Morrill tariff in 1861, by which the United States passed from what was substantially a free trade commercial *régime* to one of high Protection; (2) the sudden cessation of cotton cultivation, and, as a consequence of this and of the Civil War, the temporary collapse of the cotton trade with Europe; (3) the creation of an enormous national debt, simultaneously with considerable additions made to State and other debts previously contracted, a large proportion of the funds in both cases being furnished by foreigners; and lastly, the issue of an inconvertible paper currency to take the place of the mixed system of coin and convertible credit which formerly prevailed. The passing of the Morrill tariff and the present rigidly protective system of the United States will be the subject of special examination in a future chapter. For our present purpose it will be sufficient if we attend to the three last of the occurrences named, and mainly to the consequences involved in the sudden increase in foreign indebtedness, taken in connection with the collapse of the cotton trade.

Let us first observe the scale on which the new debt was created. It amounted—we may say in round numbers—to about five hundred millions sterling, of which some two hundred millions were taken by foreigners. In addition to this, numerous other loans were effected on State, railway, mining, and other securities, reaching in the aggregate a very large sum, of which the amount that found its way to Europe was, according to Mr. Wells, not less than one hundred millions sterling. These transactions were spread over several years—we may say broadly, over the last three years of the war, and the two or three immediately succeeding. Regarding them as they affected the financial relations of Europe and the United States the result may be thus stated:—Europe undertook to send immediately, that is to say, as fast as the several obligations were incurred, some 300,000,000*l.* sterling to the United States; while the United States on her side engaged to pay the interest on this sum to Europe for all time, or until the principal was discharged. The transactions, as I have said, were spread over some five or six years, and, making allowance for the dividends which would be accruing on the investments from the time they were effected, and which might be used as a set-off against the principal sums still becoming due as new investments were made, the amount required to be sent from Europe to the United States during the period under review would not be less than some 40,000,000*l.* sterling annually. Under ordinary circumstances,—in such a state of external trade, for example, as had existed previous to 1860,—so enormous and sudden an increase of payments from one continent to the other could only have been effected through the medium of bullion. The ordinary flow of gold from New York to Europe

would have been suddenly checked, and a counter-current would have set in from Europe to New York,—operations which could not fail to produce a profound ferment in the money markets of the two continents. As it was, however, the settlement of these vast transactions occasioned very little disturbance of any kind. The explanation is mainly to be found in another of the circumstances to which I have called attention, the collapse of the cotton crop; for the effect of this was suddenly to leave the United States without the means of paying Europe for her ordinary importations thence, swollen as these had recently been by large purchases of material of war. In the result the United States stood largely a debtor to Europe on commercial account; while on financial account the balance was not less decidedly against Europe; and, the amounts on both sides nearly corresponding, the settlement of the complex transactions became possible by the simple expedient of setting off one class of obligations against the other. This, in effect, is what was done. The reciprocal obligations of Europe and the United States were thus adjusted for the time, though by a sort of financial *coup de main* that could not well be repeated; and now I invite the reader to contemplate the state of things which has supervened.

Sec. 8. On the termination of the war the cultivation of cotton was, of course, resumed, and already that staple, as an article in the trade of the United States with Europe, has attained its former proportions, if not in quantity at least in value. On her other domestic exports (in which, be it remembered, specie is included) there has been an increase, though not a large one, and only during the last two years. But while this has been the case as regards exports, her imports have risen from 335,200,000 dollars, at which they stood in 1860, the year previous to the war, to 617,000,000 dollars, their amount according to the latest returns. The reader will remember that previous to the war the exports of the United States had, as a normal state of things, exceeded the imports; the excess on this account during the ten years between 1851 and 1860 (inclusive) having amounted to an average sum of 6,000,000 dollars annually. Now, however, the balance is on the other side. It is the imports which are in excess of the exports. In the five years, 1868–1872 (inclusive), the excess amounted on an average to 44,000,000 dollars annually; while in the last year of the period (1872) it grew to no less a sum than 116,000,000 dollars. Now, from the explanations already given the reader will understand that such a state of external trade, assuming it be sound and normal, would imply a state of financial relations between the United States and Europe in which the former country was largely a creditor of the latter; for it is only on this supposition that a large excess of imports over exports could continue consistently with national solvency. So far, however, from the facts being in accordance with this supposition, they are exactly the reverse of this. The United States is largely a debtor to Europe on financial account, while her exports are not even sufficient to cover her commercial liabilities. It will be worth while to consider this position of affairs somewhat more in detail.

As I learn from figures given by Mr. Wells in his Report for 1868, the dividends due to European holders of United States stocks of various kinds amounted in that year to 80,000,000 dollars. This, however, is but a portion of her extra-commercial obligations to Europe. Her remittances to foreign countries to meet the expenses of her citizens residing or travelling abroad reached in the same year, according to the same authority, so large a sum as 25,000,000 dollars, and it does not appear that there was anything exceptional in this expenditure. Lastly, we learn from Mr. Wells that an annual debt to foreign countries of 24,000,000 dollars more is incurred on account of freights carried in foreign bottoms. The aggregate of these various sums is 129,000,000 dollars, in round numbers we may say about 26,000,000*l.* sterling; and this sum the United States has to pay annually to foreign countries, over and above what she owes on account of her importations. Now, as I have already explained, there is but one means by which a nation can in the last resort discharge her liabilities to other nations—namely, through the value of her products exported. We have seen, however, that the exports of the United States, as things now stand, far from being adequate to the liquidation of her annual aggregate liabilities, are insufficient to meet those incurred on commercial account alone; the deficiency, taking the average of the last five years, having, as I have just shown, reached the large sum of 44,000,000 dollars—let us say in round numbers about 9,000,000*l.* sterling. We have thus a balance of 9,000,000*l.* on commercial account, plus a further sum of 26,000,000*l.* on extra-commercial account,—in all 35,000,000*l.* sterling,—due, year by year, by the United States to foreign countries, in excess of what the value of her exported goods enables her to discharge. The question arises how is this liability to be met. How it has been met up to the present time I have no means of accurately determining, but one expedient, we know, has been brought extensively into

requisition. During the period since the war the sale of American securities in the markets of Great Britain and the Continent has been large and increasing. The United States has ceased, indeed, to add to her public debt, and has even made some progress in reducing it, but it is probable that the proportion of this debt in the hands of European holders has of late increased, and it is certain that the amount of European capital which now finds its way to private investment in America is immensely greater than it has ever been at any former period. Here then is a resource, which, so far as it goes, and so long as it lasts, the United States may employ in liquidation of her uncovered liabilities; the sums payable by Europe in purchase of American securities being as much available in discharge of American debts as if they were obtained in payment of exports. Whether those sums have hitherto proved sufficient for the purpose required, must, for the moment, remain matter for conjecture, but it may be confidently asserted that, in any case, they can only be regarded as a temporary make-shift. No nation can continue to pay its foreign debts by the process of incurring new debts to meet a balance yearly accruing against it; yet this, in truth, is the nature of the financial operation by which of late years the United States has contrived to settle accounts with the rest of the world. Even on the supposition that European investment is to continue on its present scale, the interest upon it would, as I have shown, come in time to exceed the principal annually invested; while the balance uncovered by exports would still remain absolutely unprovided for. These considerations lead me to the conclusion that the present condition of the external trade of the United States is essentially abnormal and temporary. If that country is to continue to discharge her liabilities to foreigners, the relation, which at present obtains between exports and imports in her external trade, must be inverted. Her exports must once again, as previous to 1860, be made to exceed her imports, and this by an amount greater than the excess of that former time in proportion as her financial obligations to foreign countries have in the interval increased. . . .

The conclusion just stated suggests a further reflection. A change in the relation of exports and imports in the trade of a country can only be effected through a change in relative prices (measured in gold or silver) as they exist in that country and in those with which it trades. To establish, therefore, an excess of exports over imports in the trade of the United States, in lieu of the balance the other way which now exists, prices there must be lowered in relation to prices in Europe. This may be accomplished partly by an advance in prices here not shared by the United States, as in fact has already happened in the case of some important commodities; but it is probable that the end will be reached mainly through a decline of prices on the other side. A considerable fall of general prices, however, is a remedy to which manufacturers and merchants will only submit when pushed to extremity. It will, therefore, only come when credit has been strained to the utmost, and a catastrophe is seen to be inevitable; and then it will probably come with a crash. For these reasons I should be disposed to look forward to the immediate future of American trade as a period of much disturbance and fluctuation culminating, it is possible, from time to time in commercial crises.[1]

Chapter IV: Free-Trade and Protection

Sec. 4. . . . This elementary truth is so far from being generally appreciated that I should not be surprised if its simple statement should appear to some persons, and possibly even to some economists, as paradoxical. I would ask such to consider what are the true causes of the high remuneration of American industry. It will surely be admitted that, in the last resort, these resolve themselves into the one great fact of its high productive power. Capitalists and labourers receive large remuneration in America because their industry produces largely. That is the simple and patent fact which all must acknowledge. But what is the meaning of a highly productive industry, if it be not a liberal industrial return as compared with the sacrifice undergone? And what again does this mean if not a low cost in relation to the thing produced? I must, therefore, contend that the high scale of industrial remuneration in America, instead of being evidence of a high cost of production in that country, is distinctly evidence of a low cost of production—of a low cost of production, that is to say, in the first place, of gold, and, in the next, of the commodities which mainly constitute the real wages of labour—a description which embraces at once the most important raw materials of industry and the most important articles of general consumption. As regards commodities not included in this descrip-

[1] As I write, the news of the commercial crisis in New York (19 Sept. 1873) has reached me. From the accounts we have yet received it would seem to have had its immediate origin in railway speculation: how far the collapse may be connected with the causes to which I have been calling attention the sequel will probably show.

tion, the criterion of wages stands in no constant relation of any kind to their cost, and is, therefore, simply irrelevant to the point at issue. And now we may see what this claim for protection to American industry, founded on the high scale of American remuneration, really comes to:—it is a demand for special legislative aid in consideration of the possession of special industrial facilities—a complaint, in short, against the exceptional bounty of nature.

Sec. 5. Perhaps I shall here be asked how, if the case be so,—if the high rate of industrial remuneration in America be only evidence of a low cost of production,—the fact is to be explained, since fact it undoubtedly is, that the people of the United States are unable to compete in neutral markets, in the sale of certain important wares, with England and other European countries. No one will say that the people of New England, New York, and Pennsylvania are deficient in any industrial qualities possessed by the workmen of any country in the world. How happens it then that, enjoying industrial advantages superior to other countries, they are yet unable to hold their own against them in the general markets of commerce? I shall endeavour to meet this objection fairly, and, in the first place, let me state what my contention is with regard to cost of production in America. I do not contend that it is low in the case of all commodities capable of being produced in the country, but only in that of a large, very important, but still limited group. With regard to commodities lying outside this group, I hold that the rate of wages is simply no evidence as to the cost of their production, one way or the other. But, secondly, I beg the reader to consider what is meant by the alleged 'inability' of New England and Pennsylvania to compete, let us say, with Manchester and Sheffield in the manufacture of calico and cutlery. What it means, and what it only can mean, is that they are unable to do so *consistently with obtaining that rate of remuneration on their industry which is current in the United States*. If only American labourers and capitalists would be content with the wages and profits current in Great Britain, there is nothing that I know of to prevent them from holding their own in any markets to which Manchester and Sheffield send their wares. And this brings us to the heart of the question. Over a large portion of the great field of industry, the people of the United States enjoy, as compared with those of Europe, advantages of a very exceptional kind: over the rest the advantage is less decided, or they stand on a par with Europeans, or possibly they are, in some instances, at a disadvantage. Engaging in the branches of industry in which their advantage over Europe is great, they reap industrial returns proportionately great; and, so long as they confine themselves to these occupations, they can compete in neutral markets against all the world and still secure the high rewards accruing from their exceptionally rich resources. But the people of the Union decline to confine themselves within these liberal bounds. They would cover the whole domain of industrial activity, and think it hard that they should not reap the same rich harvests from every part of the field. They must descend into the arena with Sheffield and Manchester, and yet secure the rewards of Chicago and St. Louis. They must employ European conditions of production, and obtain American results. What is this but to quarrel with the laws of nature? These laws have assigned to an extensive range of industries carried on in the United States a high scale of return, far in excess of what Europe can command, to a few others a return on a scale not exceeding the European proportion. American enterprise would engage in all departments alike, and obtain upon all the high rewards which nature has assigned only to some. Here we find the real meaning of the 'inability' of Americans to compete with the 'pauper labour' of Europe. They cannot do so, and at the same time secure the American rate of return on their work. The inability no doubt exists, but it is one created, not by the drawbacks, but by the exceptional advantages of their position. It is as if a skilled artisan should complain that he could not compete with the hedger and ditcher. Let him only be content with the hedger and ditcher's rate of pay, and there will be nothing to prevent him from entering the lists even against this rival.

The end here proposed by American enterprise is, it must be owned, unattainable under free-trade; for free-trade is content to turn natural laws to the best account: it does not seek to transcend them. But, though unattainable under free trade, protectionists assure us that the thing may be done by means of their system. It is only necessary, say these authorities, to exclude foreign competition by laying high import duties on the products in which American superiority over Europe is not assured, and the same high returns which attend on American industry in its most productive fields will—the laws of nature notwithstanding—be realized throughout its entire range. And this is, in fact, the undertaking in which those who guide the commercial policy of the Union have been engaged since 1861. Let us for a moment pause and consider how this bold attempt to override the laws of nature has fared.

Sec. 6. And here we are confronted at once with the difficulty of interpreting an industrial experiment. The system of American Protection, in its present exaggerated form, may be regarded as dating from 1861, when the Morrill tariff became law. If all the other conditions of the case had remained substantially the same since that time, we might now, by a mere inspection of results, pronounce without hesitation on the effect of the policy then inaugurated; but, instead of this, observe how the facts stand. In the same year the great Civil War commenced, in the course of which the destruction of human life and of wealth in every form probably exceeded anything which had before occurred within the same time in the history of human affairs. This was soon followed by the creation of an immense national debt, entailing a large permanent increase of taxation, and by the issue of an inconvertible paper currency, circulating throughout the Union, and affecting alike prices and wages in every branch of trade. On the other hand, occurrences of a very different kind marked the course of the period under review. Mineral resources were discovered which are now yielding vast wealth, and oil springs which have become the source of an entirely new and rapidly increasing trade. Railway enterprise, again, during the same time appears to have taken on a new activity, whilst the progress of invention in the mechanical arts has never for a moment flagged. In presence of influences so numerous, so novel, and so vast, each affecting industry in its own fashion so powerfully, who shall say what portion of what we now find existing can properly be attributed to any one of them? . . .

For my part, I have no hesitation in accepting upon this point what appears to be the nearly universal opinion of Americans, that, the period of actual warfare once passed, the influences favouring industrial progress have, on the whole, largely preponderated over those tending to retard it; and that consequently, *if there were nothing else in the matter*, we should be justified in expecting, at all events since 1866, a more rapid expansion of American commerce, and a more liberal return on American industry, than prevailed in the period previous to 1861.

Well, how do the facts tally with this reasonable expectation? I will allow Mr. Wells to answer this question. In his two Reports to Congress, and in his Cobden Club Essay, he has gone very fully and in great detail into the whole subject, and those who desire particulars must be referred to those writings. It suffices here to state in summary the results of his investigations; and these are to the effect, that, comparing the decade 1860–70 with the previous decade, the commercial progress of the United States has, in the later period, suffered a serious check; that the commercial tonnage has during the same period positively declined; that the business of ship-building has undergone an almost complete collapse; that the rate of increase in the external trade which during the decade 1850–60 had been represented by 81 per cent. on the trade of the preceding decade, has fallen to one represented by 19 per cent.; and, lastly, and on this point I am content to rest the entire case, that—having regard, on the one hand, to the nominal rise in wages reckoned in a depreciated currency, and, on the other, to the nominal rise of prices measured in the same medium,—the real remuneration of the United States labourer in all the leading departments of industry has during the nine years ending 1868 positively fallen in a proportion not less than 20 per cent. on his previous earnings. These are singular results to have accrued from a still unlimited command of rich virgin soil, from enlarged mineral resources, ever progressing mechanical invention, and an industrial energy and enterprise which have certainly suffered no abatement. To what cause are they to be ascribed, and more particularly how are we to account for this lowered rate of return upon American industry? It is possible the ravages of the war may not even yet have been wholly repaired; the gap made in the national capital may not be even now quite filled up. The increased taxation certainly remains, and constitutes a deduction, let us say of some 5 or 6 per cent., from American earnings. The depreciated currency has, no doubt, caused much individual hardship, and introduced more or less derangement into commercial affairs. But who will say that any of these occurrences, or all of them taken together, suffice to account for the facts which Mr. Wells has brought to light—the slackened rate of progress, the arrested commercial growth, and, above all, the diminished reward for the workman? The problem, I must own, is for me insoluble, until I take account of that one influence which, for the moment, I had put aside. I turn to the Morrill tariff, and to the aggravations of that code which have since been enacted. I find there duties amounting, on an average, to 47 per cent. *ad valorem*, imposed on nearly all articles of any importance imported into the United States; on such raw products as coal, timber, iron, hides, and sugar; on such manufactures as clothing in every form, cottons, woollens, and every kind of textile fabric, on manufactured iron,—in a word, on nearly all the raw materials of industry, and many of the most important articles of general con-

sumption. And with these facts before me, the slackened rate of progress, the arrested commercial growth, and the workman's diminished reward become at once intelligible; for these are the precise results which such a system of protection is fitted to engender. With such a barrier as duties amounting to 47 per cent. *ad valorem* erected against foreign importation, what else could happen than a retardation of the growth of external trade? While coal, timber, iron are loaded with heavy duties, can ship-building be expected to prosper? and, as with ship-building, so with some scores of other trades, the details of whose decline will be found in Mr. Wells's repertory. But I prefer to rest the case upon the simple fact of the reduced real wages of the workmen; for here the symptom may be regarded as specific. As I have already had occasion to explain, the direct effect of a protective duty, when it is really operative, is to compel, on the part of the community employing this expedient, a resort to more onerous conditions of production for the protected article. Every article, therefore, produced in the United States, which would not have been produced there but for the protective tariff, represents an expenditure of labour and capital greater than would have been necessary to obtain the same article, had it been obtained under free-trade. In a word, American labour and capital, as a whole, have, effort for effort and outlay for outlay, been producing smaller results since 1861 than formerly; and, this being so, what other explanation do we need of the actual facts which we encounter—of diminished returns on American industry, of a fall in the real wages of labour? . . .

Protectionists then undertook to secure for the protected interests of their country as high industrial rewards as are reaped in the most flourishing branches of United States' production—and, it may be allowed, they have succeeded in their venturous enterprise. But how? Simply by lowering universally the level of those rewards; by enforcing, through the medium of artificially enhanced prices, a huge deduction from the income of the community at large, and handing over the proceeds to the protected trades. Such is the upshot of this notable attempt to transcend physical laws, and to secure by legislation what nature has denied. . . .

The Crises of 1837 and 1873

From the COMMERCIAL AND FINANCIAL CHRONICLE

AMONG THE MANY THOUSANDS of men of business, mechanics, manufacturers, skilled laborers, farmers, merchants and others, who carry on or direct the immense productive industry of this country in its many forms, and its trade, banking and other exchanges, how many have had in their own experience any practical knowledge of the necessity of a sound, redeemable currency? . . .

The man who is now 34 years old was only 21 years old 13 years ago when the war caused the suspension of specie payments. He knows so much of the uses and advantages of a redeemable currency, as he may have learned in his youth, or by his reading, or by his good sense and reason. Nearly one half of all the men who direct and performed all the varied business transactions of this great country, have just that knowledge and no more of the reasons why our currency should be like that of the commercial world—"good as gold." The man who is now 38 years old, was of 21 years when the suspension of 1857 occurred, and may remember the circumstances of that sharp but short crisis, the resumption by all banks in the following spring (1858), and the three years of remarkable prosperity which intervened before the war began in 1861. Men who are now 45 years old and more, up to 55, can remember more or less of the financial and business history of the country during the period after the resumption in 1842 down to 1857—fifteen years of State bank currency, generally well secured and redeemed—a specie paying period, marked by recovery from the great prostration and distress that followed the general suspension of 1837, and by great increase in the wealth and population of the country. But he must now be about 60 years old, who was engaged in business prior to 1837, and has personal recollection of that eventful time. It is safe to say that no one who was a merchant, banker, manufacturer or manager of any considerable business in 1837, can now be found who is not a constant and decided advocate of a specie-redeemable currency. . . .

Let us recall briefly the leading events and incidents of "the great crisis of 1837" as it was termed for many years after. But first notice the prominent contrast between that period and the present. Then, the aggregate valuation of the real and personal estate in the United States and Territories was only about one-eighth its present amount; the population was about two-fifths its present number; therefore the wealth per capita

in 1873, when this crisis occurred, was three and one-fifth times as much as it was in 1837. Then, the greater part of the whole number of commercial debtors eventually became bankrupt, though comparatively few of them expected that result during the first year of suspension; now, the cases of actual insolvency among merchants and other active business men have been few, and to their number very few more need be added unless the measures to restore business activity be too long delayed, and the shrinking of values and non-employment of labor and capital be continued until both courage and resources shall be exhausted. Then, suspension of specie payments was coincident with, and a serious part of the crisis; this time, suspension of specie payments was caused by the war, was precautionary, deliberate, and not because the banks were unable to redeem their issues. During the war extraordinary conditions grew up which, being continued with increased force after the war ended, made inevitable, sooner or later, a crisis such as we had, and hid from view (at least the popular view) the irresistible progress to it. These are the great points of contrast or difference between the crisis of 1837 and that of 1873. Following along the salient features of each period, especially those preceding the catastrophes, we shall see the points of resemblance, and the reasons why the experience in one case carries instruction for the other. . . .

The leading events and circumstances of the last twelve years are known to all of us, yet it is necessary to recall them, somewhat in their order of occurrence or sequence. During the war private debt, except for long time and upon mortgage security, was in great part liquidated, and the cash system took the place in trade of the previous credit system. The occurrence of war itself suspended much business and many industries for a time, releasing a large amount of free capital from its previous uses, and making money plenty and cheap for lack of employment. It also destroyed the employment of many laborers. This would have been a condition of stagnation, such as existed after the crisis in 1837, and such as now exists in a small degree, had not the war another and immediate effect. It called into the army and navy a great number of the unemployed men, or other men whose places as workers had to be filled, and it called for loans to the public treasury of all the idle money. This money, as fast as received, was again disbursed among the people for expenses of the war. It soon called into activity a great variety and amount of industrial labor for war purposes. As soon as the magnitude and probable duration of the war came to be recognized, and the demand that would be made upon the financial strength and resources of the government; and especially when Congress deemed it necessary to make a forced loan of the people by the issue of legal tender notes, every responsible debtor preferred cash payment to holding the gradually depreciating currency. Thus by the brief period of stagnation preceding active war, and by the natural effect of the currency laws, private debt for ordinary business was virtually abolished. The enormous cost of the war was paid by loans from the people in continuous succession. The money once borrowed was disbursed, again borrowed and again disbursed, and this round repeated to the end of the war. Then a war debt remained of about $3,000,000,000. It will be evident to some thoughtful men that a volume of currency which was sufficient for all the business of the loyal States, and much business which had been done by its agency in the seceding States, when all, in its multiplied forms, was in the highest activity before the war, and was in such excess of the use for it when the war had begun, would have been amply sufficient for the conduct of all the business during the war, including the extraordinary transactions of the government in its prosecution, if the currency could have been protected from depreciation. This is made clear when we remember that even *the capital* borrowed by the government was returning to its lenders as fast as borrowed, and that in 1860–1, specie flowed freely to this country for the balances due us from abroad, after we had paid all our debts due abroad and had paid for all the securities which the approach of our war had caused foreign holders to send home for sale. The further fact should be noted that though we were producing gold at a rapid rate yearly, our exports of gold did not become large in amount until by the depreciation of our currency, and consequent inflation of prices, excessive importations of foreign goods were invited—and further that our *stock* of gold which we held in 1860–1 did not leave the country until time enough had elapsed after the close of the war to show that there was no purpose of early return to specie payments.

But, whether possible or not to have carried through the war without any serious inflation of the currency, and the consequent and inevitable depreciation, the experiment was not tried. The legal tender currency was created, followed, near the close of the war, by the national bank currency. The legal tender notes, the 7·30 notes, and the compound interest notes (all legal tenders) were issued as the increasing exigencies of

the war and the strain upon the government credit demanded them, and the war was carried through successfully, in spite of them, or by means of them, as men may severally think. At the end of the war there was very little of private or commercial debt. The great national debt was held by the banks and by the people. The effect of success was to cause a rapid advance in our national securities in the estimation of foreign capitalists, and at the advanced but still low values, compared with present prices, they were transferred to Europe in large amounts. The loanable capital of the national banks, thus set free, was at once invested in private loans and discounts, and that line, which, in 1865 was so small, went on increasing year after year until 1873, when its further expansion was stopped by the great panic. (In December, 1865, only $498,843,447, it rose to $940,233,304 in September, 1873.) Private debts increased even faster outside the national banks, in every variety of form and among all classes of people for purposes of speculation.

By the rise of prices and greater margins of profits in all branches of business during the war, great prosperity or what seemed to be such, prevailed everywhere in the loyal States. Great fortunes had been made, and all but a few unfortunate annuitants whose income did not rise with the cost of living, had seemed to gain in wealth. If in 1865 an account had been taken of the enormous waste of material wealth—not counting that of human life, by the war—and a true balance had been struck between the wealth added and that lost or destroyed since 1861, valued according to the scale of 1861, and all had been marked down to the values of that year, on which side, loss or gain, would the balance have stood? No such computation was made. It was taken for granted that the apparent gain was real, and to some extent it was undoubtedly a gain in the possessions of the people, if the public debt then held by the people could properly be called the people's wealth. They had loaned it to the nation, yet what the nation owed, the people owed. If then it had been wiped out, swept away with one stroke of a pen, the people, as a nation, would have been neither richer nor poorer, save in the effects of doing such a wrong. That debt, constituting the wealth of individuals, but not wealth to the nation, was in the nature of a mortgage upon the aggregate property of the whole people, and as such must be paid. Its transfer to European capitalists since that date, whether for railroad iron or silks, whether for reproductive power or luxuries that have perished, does not change its status. No clear and true view of the situation to-day can be taken that does not first examine the true situation as it was at the end of war, when we started upon the wonderful career which ended in 1873; and unless we remember that a great part of the apparent gain during the war was only in the higher prices. We had "marked up our stock of goods" without materially increasing their quantity. In one respect, however, a great gain had been made. The war had quickened into fullest life and activity all our productive forces, and thrown new energy into every department of business, under the spur of patriotism and under the stimulus of great profits. It was an abnormal condition and dangerous, yet pleasing to the people, who despised words of warning as the croakings of timid or obstructive men, and preferred the delusive assurance that all was going safely and prosperously by the use of "the best currency the world ever saw." When the war ended not one of the statesmen, and few of the politicians of the country, openly took ground against the promised and expected return to specie payments as soon as the demand debt of the Treasury could be retired. The few politicians who dared hint at repudiation in any form were rebuked by the popular voice. All can now see that the time to restore a sound currency was when the war closed, when the people expressed it, when the banks expected it and held their specie reserves for it, and when there was no great "debtor interest" to suffer by it. That opportunity was lost because Congress did not recognize it and knew not the consequence of losing it. Besides the legal tender notes, a large amount of 7·30 and compound interest notes had to be paid off or funded. While that was in progress it became popular, in and out of Congress, to discourse of the benefits of the irredeemable currency which "could not be drained away by export," and of the "unparalleled prosperity" which it promoted. The policy of contracting the volume of "greenbacks," inaugurated under Mr. McCulloch's administration of the Treasury, became odious, and when contraction had been indiscreetly pushed in the fall of 1867 immediately following the withdrawal of some 200 millions of other Treasury notes, Congress, on February 7, 1868, forbade its proceeding further. In March, 1869, on the accession of a new administration, Congress renewed the pledge of earliest practicable return to specie currency, and the President approved it. Yet from that day in 1868, when Congress forbade any further contraction of the legal tenders, down to the present year, Congress has taken not one step towards the fulfilment of the public pledge, but, on the contrary, it has voted down or buried in

committee every proposition to that end made by the few earnest men who foresaw the coming evil. No other power but Congress could act in the matter, and Congress refusing it, the country was left to drift into the storm. When in 1868 the probability that the irredeemable currency system would be continued indefinitely or until interrupted by disaster, became certainty, the speculative and expansive forces which had grown up during the war, and had since acquired greater strength, found a new impulse and were no longer held in check by that dreaded word, contraction. Old lines of investment were pushed further and new ones created, chiefly in the construction and purchase of railroads, and dealings in their stocks and bonds. The free or loanable capital of the country became locked up. As before stated private and corporate debt increased to a vast amount. The scale of prices, especially of everything required for ordinary subsistence and consumption of the people, was in its average far above the level indicated by the gold premium, and the cost of our manufactures so high as to forbid their export abroad. Speculation and speculative values ruled the day. The currency, twice as large in amount as could be safely used in a prudent and profitable conduct of all the real business of the country, became scarce and much of it had disappeared, no one knew where. In the summer of 1873 there came a pause—again the calm before the hurricane. Men of large capital and men of small means, as well as men possessing only credit, found they had over-invested. As from a common feeling they tried to sell, but others would not buy. Certain great banking houses in New York that had been carrying gigantic railroad and other schemes, with money belonging to their depositors, being called for deposits and unable to pay because they could not convert their securities, were obliged to fail. The storm had come, and in a few weeks the wheels of business were stopped. The banks being already under suspension of payment it was supposed they could go no further down; but they were unable to pay depositors even in depreciated currency, and improvised a new method of payment by Clearing-house certificates. Paralysis had come. Yet this was only a currency panic and it soon passed by. In a few months business was pursuing its usual course, but at lower prices and with great caution; and loanable capital had become more abundant than for many years and for the right sort of securities could be hired at borrowers' rates. It was then hopefully said, business will resume its usual course in the spring. But in the spring it was found that the shops, furnaces, factories and other industrial works which had been stopped by the panic did not start up again; that many more had been added to the large list of unemployed laborers, and then it was said, everything will revive again in the fall. The fall came, but with it no revival, on the contrary, more suspended works, more failed merchants, greatly reduced profits, or none at all, more idle who would be workers, and more hungry who would not lack bread if they could get work. Then again, the spring was looked forward to with hope and expectation, but now it has also passed, leaving us with hope unrealized, still looking into the future. In many departments of trade the dulness of movement is almost stagnation. Yet there is no lack of either capital or currency. Capital is seeking hire at very low rates in all *safe* places, while the banks are burthened with currency.

What is the meaning of these strange and seemingly inconsistent conditions, which were expected by but few men and by the most of members of Congress even last winter would have been deemed impossible? It is said that production—meaning the production of the iron and coal mines, the forest, the factories, foundries and workshops—has become excessive, and is now beyond the demand for consumption. Yet production in nearly all departments of mechanical industry is reduced, and is much less now than it was two years ago when there was no excess apparent. Excess arises then only from reduced consumption, not at all from increase of production. The inquiry suggested is, what has so suddenly and so severely reduced the consuming ability of our people? The panic stopped work on many large undertakings, first on long lines of railroads in construction or reconstruction, then on the rolling mills, machine shops, foundries and other works, and then and successively since, other industries, the later ones caused by the earlier through loss of their employment or custom. The stopping of work on railroad building discharged many thousand laborers, and each succeeding suspension has added to the great army of the unemployed. These thousands were forced to reduce expenditure in every way possible and so their enforced economy cut down the employment of yet other thousands, and the reduction is yet progressing. Abundant harvests throughout the world have given cheap bread, yet many thousand families will be nearer to hunger than for many years, for lack of employment, and the circle of enforced idleness, disability and poverty, widens daily. From the works yet running we hear too often that profits diminish from month to month, or

have wholly disappeared. The hope of "better times soon" so cheerfully held by all a year ago, and by fewer, yet many, six months ago, is gradually fading away as the "hope deferred." Capital is ever timid, always seeking security first and profit as its second point, except where long immunity from loss, and the habit of getting excessive interest, as during the five years prior to the midsummer of 1873, had made caution to be forgotten; but now heeding the old maxim that "security falls as interest rises," it is thoroughly scared by the panic and its revelations, and seeks safety. No temptation of excessive interest can soon again lure it into great risks. The extreme of over-prudence now prevails, and the seven per cent of the young manufacturer or machinist who needs $25,000 to add to the $50,000 which he owns, for the completion of his works, is refused, while the three per cent of the borrower on government bonds is gladly accepted. On the other hand, the young machinist who has the $50,000, having looked over the business field and its prospects, has concluded that to make debt to enlarge his works now would endanger the loss of what he has and he decides not to borrow if he could. Look over the price list of railroad and other corporation bonds and see how many that are regularly paying seven or eight per cent yearly, and have never defaulted, are offered for sale at 65 to 75 per cent, equal to an investment of ten to twelve per cent yearly, while the market rate for loans on the preferred securities is one and a half to two per cent.

Confidence has been terribly shaken. The feeling of to-day in respect of the present and the future is in violent contrast with the feeling eighteen months ago. The change in feeling is far greater than even the change in apparent facts, great as that is. There must be some sufficient cause for all this, and *that cause is the depreciated and irredeemable character of our currency*. Until that cause be removed and a sound true money currency be put in its place, or a law be enacted the sure effect of which will be to secure that result, there can be no restoration of confidence. . . .

The New York Clearing House Association Report

The Committee Appointed by the New York Clearing House Association, "*To carefully consider and report what Reforms are required in the practical operations of Banks with each other and with the public, to increase the security of their business*," respectfully report—

That, in order to reach the object sought by the resolution, it is necessary briefly to review the condition and practical working of the banking system in this city before the commencement of the late panic.

Banks are the natural depositories of the current capital of the nation, passing into and out of active industry and commerce. The balances held by them are for the time specially reserved by their owners from permanent investment, and kept subject to immediate command. They constitute a main portion of the wealth of the community which is not yet ready to be consolidated into fixed capital or immovable forms. The custodians of such funds are consequently bound by the very nature of their trust, to preserve them in their integrity, and to apply them only in such ways as will prevent them from falling into inactivity, and, also, to hold such proportion in ready cash in hand, as long experience has proved to be necessary, to meet immediate demands in every possible emergency. And it may be confidently affirmed that a bank, or banker, who faithfully meets all these obligations, renders a full equivalent for any benefits which can be honorably derived from the custody of such a trust.

No institution can, in the long run, *purchase* deposits of money payable on demand of the owners, and at the same time secure to itself a just and proper compensation for the business, without violating some of the conditions indispensable to the public safety. It must either use them in ways that are illegitimate and perilous, or use them in excess. This has been abundantly proved by innumerable instances in years past, and the practice of paying interest for such deposits was unanimously condemned by the bank officers in 1857, as one of the principal causes of the panic at that period . . .

The creation of many new institutions, since the late civil war began, which have considered it expedient to purchase public favor, and thus divert to themselves business from established channels, has revived the custom of paying interest upon deposits, and has also led some of the older banks, in self-defence, to yield more or less to the pressure in the same direction, while it has induced others to adopt newer methods of obtaining patronage equally pernicious.

And thus a sharp and degrading competition has not only prevailed among banks in this city, but has been excited as a necessary consequence in other places, where the far reaching enterprise

of some of our associates has led them in pursuit of business, not only from institutions but from all classes of society. Banks throughout the country have been aroused to enlist in the same destructive practices toward each other, and in defence of their various localities. A premium has been unnecessarily given for business which, left to itself, would fall without cost into its natural channels, and adjust itself to such localities as the convenience of the people and the best interests of the country require.

Without such rivalry the resources of the nation would be so diffused among the banks as to give increased financial strength and stability to every part, and not only remove a great cause of irritation, but add to the comfort, efficiency and profit of all.

The evil results of paying interest upon current deposits, avowed when the internal commerce of the nation was conducted upon a specie basis, are greatly aggravated when it is carried on by an *irredeemable* currency, which has a fixed and invariable volume, and which flows to and from the commercial centre with the changes of the seasons. Such a currency is superabundant in summer, and instead of being then naturally absorbed and diminished by redemption, it accumulates in banks, which cannot keep it idle without loss of the interest paid to its owners. Legitimate commerce does not then demand it. It is still subject to instant call. There is consequently no resource but to loan it in Wall Street upon stocks and bonds, in doing which so much of the nation's movable capital passes for the time into fixed and immovable forms of investment, and its essential character is instantly changed. Loans are made with facility upon securities which have no strictly commercial quality, new and unnecessary enterprises are encouraged, wild speculations are stimulated, and the thoughtless and unwary are betrayed into ruinous operations. The autumnal demand finds the resources of the nation unnaturally diverted from their legitimate channels, and they can only be turned back with difficulty and public embarrassment. Such has been our well known experience year after year. Interest upon money has, as a consequence, fluctuated widely from three and four per cent. per annum in summer, to fifteen and twenty per cent. in the fall and winter upon commercial paper, and upon stocks at times to one half and even one per cent. a day. Vicissitudes like these are utterly destructive to all legitimate commerce, and institutions whose operations tend to such results are enemies to the public welfare.

Deposits which are derived from strictly commercial operations cannot fluctuate so widely, from time to time, as to produce disturbance in the community; and banks which confine their business to them, as they naturally arise, are always reliable and regular in their treatment of their dealers, and can be conducted with ease and comfort to their managers and safety to the public. On the contrary, deposits which are purchased by payment of interest, or otherwise, and which must, therefore, of necessity be largely loaned "on demand," are the cause of continual agitation and solicitude to those who hold them in charge. They are certain to be withdrawn at the season of the year, and at the moment most inconvenient to the banks and to their dealers. . . .

When the late panic commenced, the sixty banks composing the New York Clearing House were indebted for about two hundred millions of deposits. Of this amount *three* institutions (paying interest to their country depositors) owed about fifty millions, and including these, twelve banks of similar character owed about one hundred millions; that is to say, twelve institutions held one half of the aggregate deposits, and the other forty-eight, their associates, the other half. The proportionate reserve of legal tender notes in the associated banks was also greatly in favor of the latter number, for the obvious reason, that banks which pay interest upon money can least bear to have any amount of it idle. The active demand first came, as it usually comes, for that portion of deposits due to country banks, who, in addition to their annual necessities, had been disturbed by failures of several city bankers, holding large balances of money due to the interior. These deposits were to a great extent loaned upon stocks and bonds in Wall Street, payable "on call," with the confident belief that they were there earning more than the interest paid for securing them, and were available as promised. But, from the very nature of the case, the rapid withdrawal of deposits from the banks made the "call" from every direction simultaneous, and closed every resource from which the "street" derived its power to respond. Borrowers upon stocks were deprived both of their facilities of borrowing and of all power to sell their securities. The necessary result occurred. Banks which found themselves in this dilemma had no alternative but to ask the assistance of their associates, and the conflagration was so rapid and violent that every consideration of fraternal sympathy, self-preservation and public safety, compelled a general and earnest coöperation; and the majority, who had for long years conducted their business upon

sound principles, and who had patiently submitted to the loss of valuable accounts, drawn from them by their associates, by practices against which they had continually protested, instantly responded to the call by placing their resources at command of those who had done so much towards producing the calamity. Making common cause, the weak with the strong, to avert a universal catastrophe.

An expedient was found by which the stronger banks placed themselves under the unequal burthen, and equalized the pressure, by gathering in their resources and placing them at the disposal of the weaker, who were thus furnished with means to meet the demands of their depositors and to save themselves from public exposure, and their dealers in city and country from disaster and ruin. Meanwhile the public confidence in institutions had become so greatly impaired that the "legal tender reserve" was reduced from thirty-four millions, on the 20th September, to five millions eight hundred thousand on the 14th October—an amount of ready money never before paid out in the same time. Interior banks, whose ready means in hand had always been merely nominal, but whose resources consisted chiefly of credits upon the books of interest paying banks in the principal cities, were under the necessity of calling back their deposits in a medium never before required, and to these the associated banks were asked to respond, as well as to the demands of timid dealers at home. . . .

With these general considerations, your Committee proceed to the more practical questions submitted to them, viz.: "*What reforms are required in the operations of banks with each other and the public to increase the security of their business;*" and, first and most prominent, they recommend *that the banks entirely discontinue the payment of interest upon deposits, whether directly or indirectly.*

THE RESERVE

The requirement of a "legal reserve" is now engaging special public attention, and much impatience is expressed at the law which compels Banks to hold a definite ratio of legal tender notes to liabilities. The practical difficulty consists in attaching a rigid and inflexible rule of law to a mobile fund, which is held for the purpose of meeting sudden contingencies, and which is, therefore, in its very nature, a variable quantity. It is impossible clearly to prescribe by statute the circumstances or the exact periods during which the reserve should be increased or diminished. There seems an intrinsic absurdity in a law requiring that a "reserve" must be always kept, which was created on purpose to be used, or that a bank officer who draws upon his reserve, under circumstances for which it was intended, is false to the oath which he takes to obey the law. But the fact that a military commander cannot be definitely instructed when he may employ his reserve force, is not regarded as a reason why that important portion of an army organization should be abandoned, or be reduced in number or efficiency. So long as Bank debts are subject to cash payments, so long must the obligation be either imposed or assumed, of keeping sufficient cash in hand to pay whatever portion can possibly be presented. It must always be remembered that, in the absence of any important central institution, such as exists in other commercial nations, the associated banks are the last resort in this country, in times of financial extremity, and upon their stability and sound conduct the national prosperity greatly depends. In claiming for them that, in taking faithful care of the active capital of the nation with which they are entrusted, they render a full and equitable compensation for its proper use, your Committee point to the consequent and paramount duty of the banks to hold such proportion of that fund in actual possession in cash as the extremest needs may demand.

It has been suggested that the federal principle which our association has applied to banking, through the use of "loan certificates" in two important crises, might be used effectively in regular business, by keeping two separate accounts, viz: "*Cash*" and "*Bank Credit*," each payable in kind, to avoid a "run" upon Banks in times of panic; and much speculative study throughout the world is given to the question how the idea of "clearing," as used through banks, may be indefinitely extended to effect the smaller exchanges of the community, so as to dispense in a great measure with large reserves of ready money. But in the present condition of economic science, and especially in this important exigency, your Committee recommend that we accept the teachings of practical experience, and pursue the well beaten track which trade and commerce universally recognize.

Experience of older commercial nations has shown that the volume of "reserve" should be in the proportion of one fourth to one third the direct liabilities of a bank, and whenever it is there found receding from this amount, restrictive measures are taken to replenish it. Our own association in 1857 established a minimum ratio of twenty per cent. in coin, which was for the time

carefully observed, and again in 1860 increased this minimum to twenty-five per cent. The present abnormal condition of the currency increases the difficulty inherent in this subject. The law permits the reserve to consist of coin and legal tender notes, and at the same time compels banks to receive as money the notes of national banks, which in legal payments are not money; so that, for practical uses as "reserve," we are troubled by a species of money which is above, and by another which is below, the standard quality. And it affords a striking commentary upon our present anomalous condition, that the money of the world, which is now freely coming into the country from legitimate commerce, cannot be absorbed into our banking system, but is necessarily repelled as a cause of serious embarrassment. The opinion that has largely prevailed, that because the business of this country is now conducted upon a basis of irredeemable paper, that therefore there can be no suspension of payments, has been most effectually dispelled, and the contrary is established, that a currency, from its nature, limited in volume, is subject to sudden and special dangers, and therefore requires special protection. Recent experience has shown how rapidly thirty-four millions may be withdrawn from our associated institutions, and, for practical uses, how inadequate is the reserve held by country Banks. That reserve, as fixed by law, is fifteen per cent. of liabilities, and three fifths of it may consist of deposits in Banks in the larger cities, who may subdivide it by placing one half their own reserves in Banks in the City of New York, where again it is subject to a further reduction, from the fact that these last are only required to hold twenty-five per cent. of their own liabilities, of which these deposits form part. The aggregate held by all the National Banks of the United States does not finally much exceed ten per cent. of their direct liabilities, without reference to the large amount of debt which is otherwise dependent upon the same reserves. When we consider that a portion of this final reserve may consist of coin, which, under present circumstances, has no practical power in an extremity, and a further fact that the interest paying Banks, which have always held the larger part of those reserves, have been forced by their position continually to disregard the law, it is manifest that the requirement, in its real operation, has not worked against the public welfare, or against the true interests of the Banks themselves.

The abandonment of the practice of paying interest upon deposits will remove a great inducement to divide these reserves between cash in hand, and deposits in cities, and make the Banks throughout the country what they should always be, financial outposts, to strengthen the general situation. The Associated Banks of New York, the ultimate resource in financial emergencies, are deprived by usury laws, of the power, which is so effectively used by the principal Banks in Europe, of protecting or augmenting their resources by adjusting the rate of interest to the necessities of the occasion—a power which, if practicable, Congress might safely confer upon the Clearing House Committee, in consultation with the Secretary of the Treasury, with great advantage to the country; as also the power of deciding when the time or the emergency has arisen in which the public interest requires a relaxation of the rigid legal requirement in respect to the reserve to be held by Banks in New York city.

If the legal or financial necessity exists to maintain a certain reserve, it is manifestly the duty of every institution to carry its just proportion, and no Bank, whether incorporated under National or State Law, can honorably evade its full share of this burthen.

Your Committee therefore recommend *that all the Associated Banks, while they strictly follow the requirements of the National Currency Act, by keeping on hand, either in Coin or Legal Tender Notes, an amount not less than twenty-five per cent. of their total liabilities to the public, be required always to hold at fifteen least per cent. in Legal Tender Notes*, subject only to such modifications as the Clearing House Committee may, from time to time, unanimously determine.

A suggestion has been made, which your Committee consider worthy of notice, because it has heretofore proved an important restriction to excessive expansion, and because it may assist in preventing many of the evils referred to—that *no institution be allowed to loan more than twr and a half times its Capital and Surplus. . . .*

THE UNITED STATES AND THE WORLD

JOSIAH STRONG

WITH THE END of the depression of the seventies and the appearance of revival, Americans began to look outward once more. There appeared a kind of naïve imperialism of which the most sentimental expression was to be found in a Congregational clergyman's book. This was Josiah Strong's (1847–1916) *Our Country*, published in 1885 and addressed to his fellow workers in home and foreign missions.

This was a critical era in world history, Strong declared, and the Protestant churches were being called upon to evangelize the earth. The United States was increasing in wealth and population; it was peopling the West at a tremendous rate and, as the area filled, its perils multiplied. The West would be America one day; hence, all Americans must concern themselves for its moral future. Immigration had a deteriorating effect on Western morals, for immigrants brought to the United States Romanism, Mormonism, illiteracy, and the Continental Sabbath so dear to the liquor industry. Immigrants, uprooted themselves, were also bringing an additional element of instability to an unstable West—that is to say, socialism.

Indications of decline might be seen everywhere in the land. Popular morals, as measured by Sabbath observance, were degenerating rapidly. A heterogeneous people united only by the desire to make money could not hope to establish a solid social order without aid; yet these were the people filling the area west of the Mississippi. The West, "like a child subject to evil influences," stood likely to fall into moral ruin.

Nevertheless, despite all dangers to the West, the Americans were a branch of the "great Anglo-Saxon race." That race had multiplied and had reached its peak of development in the United States. The American Anglo-Saxon was divinely commissioned to rule the world. The divine command must be obeyed. The best means of fulfilling the Lord's command was through a greater awareness of responsibility by those who had prospered. Men did not owe the Lord a tithe of their possessions; they owed Him all. Christians must realize that they are trustees of a property which is God's, not their own.

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Our Country

BY JOSIAH STRONG

CHAPTER XIII: THE ANGLO-SAXON AND THE WORLD'S FUTURE

EVERY RACE which has deeply impressed itself on the human family has been the representative of some great idea—one or more—which has given direction to the nation's life and form to its civilization. Among the Egyptians this seminal idea was life, among the Persians it was light, among the Hebrews it was purity, among the Greeks it was beauty, among the Romans it was law. The Anglo-Saxon is the representative of two great ideas, which are closely related. One of them is that of civil liberty. Nearly all of the civil liberty in the world is enjoyed by Anglo-Saxons: the English, the British colonists, and the people of the United

States. To some, like the Swiss, it is permitted by the sufferance of their neighbors; others, like the French, have experimented with it; but, in modern times, the peoples whose love of liberty has won it, and whose genius for self-government has preserved it, have been Anglo-Saxons. The noblest races have always been lovers of liberty. That love ran strong in early German blood, and has profoundly influenced the institutions of all the branches of the great German family; but it was left for the Anglo-Saxon branch fully to recognize the right of the individual to himself, and formally to declare it the foundation stone of government.

The other great idea of which the Anglo-Saxon is the exponent is that of a pure *spiritual* Christianity. It was no accident that the great reformation of the sixteenth century originated among a Teutonic, rather than a Latin people. It was the fire of liberty burning in the Saxon heart that flamed up against the absolutism of the Pope. Speaking roughly, the peoples of Europe which are Celtic are Catholic, and those which are Teutonic are Protestant; and where the Teutonic race was purest, there Protestantism spread with the greatest rapidity. . . . Protestantism on the continent seems to be about as poor in spiritual life and power as Catholicism. That means that most of the spiritual Christianity in the world is found among Anglo-Saxons and their converts; for this is the great missionary race. If we take all of the German missionary societies together, we find that, in the number of workers and amount of contributions, they do not equal the smallest of the three great English missionary societies. The year that Congregationalists in the United States gave one dollar and thirty-seven cents per caput to foreign missions, the members of the great German State Church gave only three-quarters of a cent per caput to the same cause. Evidently it is chiefly to the English and American peoples that we must look for the evangelization of the world. . . .

There can be no reasonable doubt that North America is to be the great home of the Anglo-Saxon, the principal seat of his power, the center of his life and influence. Not only does it constitute seven-elevenths of his possessions, but his empire is unsevered, while the remaining four-elevenths are fragmentary and scattered over the earth. Australia will have a great population; but its disadvantages, as compared with North America, are too manifest to need mention. Our continent has room and resources and climate, it lies in the pathway of the nations, it belongs to the zone of power, and already, among Anglo-Saxons, do we lead in population and wealth. . . .

But we are to have not only the larger portion of the Anglo-Saxon race for generations to come, we may reasonably expect to develop the highest type of Anglo-Saxon civilization. If human progress follows a law of development, if "Time's noblest offspring is the last," our civilization should be the noblest; for we are "The heirs of all the ages in the foremost files of time," and not only do we occupy the latitude of power, but *our land is the last to be occupied in that latitude.* There is no other virgin soil in the North Temperate Zone. If the consummation of human progress is not to be looked for here, if there is yet to flower a higher civilization, where is the soil that is to produce it? Whipple says: "There has never been a great migration that did not result in a new form of national genius." Our national genius is Anglo-Saxon, but not English, its distinctive type is the result of a finer nervous organization, which is certainly being developed in this country. . . .

Mr. Darwin is not only disposed to see, in the superior vigor of our people, an illustration of his favorite theory of natural selection, but even intimates that the world's history thus far has been simply preparatory for our future, and tributary to it. He says: "There is apparently much truth in the belief that the wonderful progress of the United States, as well as the character of the people, are the results of natural selection; for the more energetic, restless, and courageous men from all parts of Europe have emigrated during the last ten or twelve generations to that great country, and have there succeeded best. Looking at the distant future, I do not think that the Rev. Mr. Zincke takes an exaggerated view when he says: 'All other series of events—as that which resulted in the culture of mind in Greece, and that which resulted in the Empire of Rome—only appear to have purpose and value when viewed in connection with, or rather as subsidiary to, the great stream of Anglo-Saxon emigration to the West.'"

There is abundant reason to believe that the Anglo-Saxon race is to be, is, indeed, already becoming, more effective here than in the mother country. The marked superiority of this race is due, in large measure, to its highly mixed origin. Says Rawlinson: "It is a general rule, now almost universally admitted by ethnologists, that the mixed races of mankind are superior to the pure ones"; and adds: "Even the Jews, who are so often cited as an example of a race at once pure and strong, may, with more reason, be adduced on the opposite side of the argument." The ancient Egyptians, the Greeks, and the Romans, were all mixed

races. Among modern races, the most conspicuous example is afforded by the Anglo-Saxons. Mr. Green's studies show that Mr. Tennyson's poetic line, "Saxon and Norman and Dane are we," must be supplemented with Celt and Gaul, Welshman and Irishman, Frisian and Flamand, French Huguenot and German Palatine. What took place a thousand years ago and more in England again transpires to-day in the United States. "History repeats itself"; but, as the wheels of history are the chariot wheels of the Almighty, there is, with every revolution, an onward movement toward the goal of his eternal purposes. There is here a new commingling of races; and, while the largest injections of foreign blood are substantially the same elements that constituted the original Anglo-Saxon admixture, so that we may infer the general type will be preserved, there are strains of other bloods being added, which, if Mr. Emerson's remark is true, that "the best nations are those most widely related," may be expected to improve the stock, and aid it to a higher destiny. If the dangers of immigration, which have been pointed out, can be successfully met for the next few years, until it has passed its climax, it may be expected to add value to the amalgam which will constitute the new Anglo-Saxon race of the New World. Concerning our future, Herbert Spencer says: "One great result is, I think, tolerably clear. From biological truths it is to be inferred that the eventual mixture of the allied varieties of the Aryan race, forming the population, will produce a more powerful type of man than has hitherto existed, and a type of man more plastic, more adaptable, more capable of undergoing the modifications needful for complete social life. I think, whatever difficulties they may have to surmount, and whatever tribulations they may have to pass through, the Americans may reasonably look forward to a time when they will have produced a civilization grander than any the world has known."

It may be easily shown, and is of no small significance, that the two great ideas of which the Anglo-Saxon is the exponent are having a fuller development in the United States than in Great Britain. There the union of Church and State tends strongly to paralyze some of the members of the body of Christ. Here there is no such influence to destroy spiritual life and power. Here, also, has been evolved the form of government consistent with the largest possible civil liberty. Furthermore, it is significant that the marked characteristics of this race are being here emphasized most. Among the most striking features of the Anglo-Saxon is his money-making power—a power of increasing importance in the widening commerce of the world's future. We have seen, in a preceding chapter, that, although England is by far the richest nation of Europe, we have already outstripped her in the race after wealth, and we have only begun the development of our vast resources.

Again, another marked characteristic of the Anglo-Saxon is what may be called an instinct or genius for colonizing. His unequaled energy, his indomitable perseverance, and his personal independence, made him a pioneer. He excels all others in pushing his way into new countries. It was those in whom this tendency was strongest that came to America, and this inherited tendency has been further developed by the westward sweep of successive generations across the continent. So noticeable has this characteristic become that English visitors remark it. Charles Dickens once said that the typical American would hesitate to enter heaven unless assured that he could go further west.

Again, nothing more manifestly distinguishes the Anglo-Saxon than his intense and persistent energy; and he is developing in the United States an energy which, in eager activity and effectiveness, is peculiarly American. This is due partly to the fact that Americans are much better fed than Europeans, and partly to the undeveloped resources of a new country, but more largely to our climate, which acts as a constant stimulus. Ten years after the landing of the Pilgrims, the Rev. Francis Higginson, a good observer, wrote: "A sup of New England air is better than a whole flagon of English ale." Thus early had the stimulating effect of our climate been noted. Moreover, our social institutions are stimulating. In Europe the various ranks of society are, like the strata of the earth, fixed and fossilized. There can be no great change without a terrible upheaval, a social earthquake. Here society is like the waters of the sea, mobile; as General Garfield said, and so signally illustrated in his own experience, that which is at the bottom to-day may one day flash on the crest of the highest wave. Every one is free to become whatever he can make of himself; free to transform himself from a rail-splitter or a tanner or a canal-boy, into the nation's President. Our aristocracy, unlike that of Europe, is open to all comers. Wealth, position, influence, are prizes offered for energy; and every farmer's boy, every apprentice and clerk, every friendless and penniless immigrant, is free to enter the lists. Thus many causes co-operate to produce here the most forceful and tremendous energy in the world.

What is the significance of such facts? These

tendencies infold the future; they are the mighty alphabet with which God writes his prophecies. May we not, by a careful laying together of the letters, spell out something of his meaning? It seems to me that God, with infinite wisdom and skill, is training the Anglo-Saxon race for an hour sure to come in the world's future. Heretofore there has always been in the history of the world a comparatively unoccupied land westward, into which the crowded countries of the East have poured their surplus populations. But the widening waves of migration, which millenniums ago rolled east and west from the valley of the Euphrates, meet to-day on our Pacific coast. There are no more new worlds. The unoccupied arable lands of the earth are limited, and will soon be taken. The time is coming when the pressure of population on the means of subsistence will be felt here as it is now felt in Europe and Asia. Then will the world enter upon a new stage of its history—*the final competition of races, for which the Anglo-Saxon is being schooled*. Long before the thousand millions are here, the mighty *centrifugal* tendency, inherent in this stock and strengthened in the United States, will assert itself. Then this race of unequaled energy, with all the majesty of numbers and the might of wealth behind it—the representative, let us hope, of the largest liberty, the purest Christianity, the highest civilization—having developed peculiarly aggressive traits calculated to impress its institutions upon mankind, will spread itself over the earth. If I read not amiss, this powerful race will move down upon Mexico, down upon Central and South America, out upon the islands of the sea, over upon Africa and beyond. And can any one doubt that the result of this competition of races will be the "survival of the fittest"? "Any people," says Dr. Bushnell, "that is physiologically advanced in culture, though it be only in a degree beyond another which is mingled with it on strictly equal terms, is sure to live down and finally live out its inferior. Nothing can save the inferior race but a ready and pliant assimilation. Whether the feebler and more abject races are going to be regenerated and raised up, is already very much of a question. What if it should be God's plan to people the world with better and finer material? Certain it is, whatever expectations we may indulge, that there is a tremendous overbearing surge of power in the Christian nations, which, if the others are not speedily raised to some vastly higher capacity, will inevitably submerge and bury them forever. These great populations of Christendom—what are they doing, but throwing out their colonies on every side, and populating themselves, if I may so speak, into the possession of all countries and climes?" To this result no war of extermination is needful; the contest is not one of arms, but of vitality and of civilization. "At the present day," says Mr. Darwin, "civilized nations are everywhere supplanting barbarous nations, excepting where the climate opposes a deadly barrier; and they succeed mainly, though not exclusively, through their arts, which are the products of the intellect?" Thus the Finns were supplanted by the Aryan races in Europe and Asia, the Tartars by the Russians, and thus the aborigines of North America, Australia and New Zealand are now disappearing before the all-conquering Anglo-Saxons. It would seem as if these inferior tribes were only precursors of a superior race, voices in the wilderness crying: "Prepare ye the way of the Lord!" The savage is a hunter; by the incoming of civilization the game is driven away and disappears before the hunter becomes a herder or an agriculturist. The savage is ignorant of many diseases of civilization which, when he is exposed to them, attack him before he learns how to treat them. Civilization also has its vices, of which the uninitiated savage is innocent. He proves an apt learner of vice, but dull enough in the school of morals. Every civilization has its destructive and preservative elements. The Anglo-Saxon race would speedily decay but for the salt of Christianity. Bring savages into contact with our civilization, and its destructive forces become operative at once, while years are necessary to render effective the saving influences of Christian instruction. Moreover, the pioneer wave of our civilization carries with it more scum than salt. Where there is one missionary, there are hundreds of miners or traders or adventurers ready to debauch the native. Whether the extinction of inferior races before the advancing Anglo-Saxon seems to the reader sad or otherwise, it certainly appears probable. I know of nothing except climatic conditions to prevent this race from populating Africa as it has peopled North America. And those portions of Africa which are unfavorable to Anglo-Saxon life are less extensive than was once supposed. The Dutch Boers, after two centuries of life there, are as hardy as any race on earth. The Anglo-Saxon has established himself in climates totally diverse—Canada, South Africa, and India—and, through several generations, has preserved his essential race characteristics. He is not, of course, superior to climatic influences; but, even in warm climates, he is likely to retain his aggressive vigor long enough to supplant races already enfeebled. Thus, in what Dr. Bushnell calls "the out-populating power of the Christian stock," may be found God's final

and complete solution of the dark problem of heathenism among many inferior peoples. . . .

Is there room for reasonable doubt that this race, unless devitalized by alcohol and tobacco, is destined to dispossess many weaker races, assimilate others, and mold the remainder, until, in a very true and important sense, it has Anglo-Saxonized mankind? Already "the English language, saturated with Christian ideas, gathering up into itself the best thought of all the ages, is the great agent of Christian civilization throughout the world; at this moment affecting the destinies and molding the character of half the human race." Jacob Grimm, the German philologist, said of this language: "It seems chosen, like its people, to rule in future times in a still greater degree in all the corners of the earth." He predicted, indeed, that the language of Shakespeare would eventually become the language of mankind. Is not Tennyson's noble prophecy to find its fulfillment in Anglo-Saxondom's extending its dominion and influence—

"Till the war-drum throbs no longer, and the battle-flags are furl'd
In the Parliament of man, the Federation of the world."

In my own mind, there is no doubt that the Anglo-Saxon is to exercise the commanding influence in the world's future; but the exact nature of that influence is, as yet, undetermined. How far his civilization will be materialistic and atheistic, and how long it will take thoroughly to Christianize and sweeten it, how rapidly he will hasten the coming of the kingdom wherein dwelleth righteousness, or how many ages he may retard it, is still uncertain; but *it is now being swiftly determined.* Let us weld together in a chain the various links of our logic which we have endeavored to forge. Is it manifest that the Anglo-Saxon holds in his hands the destinies of mankind for ages to come? Is it evident that the United States is to be the home of this race, the principal seat of his power, the great center of his influence? Is it true that the great West is to dominate the nation's future? Has it been shown that this generation is to determine the character, and hence the destiny, of the West? Then may God open the eyes of this generation! When Napoleon drew up his troops before the Mamelukes, under the shadow of the Pyramids, pointing to the latter, he said to his soldiers: "Remember that from yonder heights forty centuries look down upon you." Men of this generation, from the pyramid top of opportunity on which God has set us, *we* look down on forty centuries! We stretch our hand into the future with power to mold the destinies of unborn millions. . . .

JAMES G. BLAINE

THERE WERE SOME among the Reverend Josiah Strong's generation who were more realistic than he. They saw America's opportunities outside of the continental United States, but they understood that these aims had to be prosecuted in a spirit of friendliness and cooperation. Particularly was this true of our relations with the Latin American republics. James G. Blaine (1830–1893), the "Man from Maine," first as Secretary of State in the Garfield Administration (1881) and later as Benjamin Harrison's Secretary (1889–1892), was the first American statesman to seek to link together the countries of the Western Hemisphere in close political and economic ties. The "Good Neighbor Policy" had its origins in Blaine's conception, a half-century earlier.

Blaine was dissatisfied with the purely negative features of the Monroe Doctrine; to him the function of the United States was greater than that of guarantor of the territorial integrity of the countries of the Western Hemisphere against European aggression. He dreamed of uniting the peoples of the two continents into a loosely defined union in which the United States would play the role of elder sister. Peace would be maintained through the continuous exercise of the good offices of the United States; there would be regular formal conferences for the purpose of planning policies of mutual advantage; trade would be facilitated through treaties of reciprocity.

During his first brief Secretaryship, Blaine, as tokens of his good-will, moved energetically to preserve the peace in Central and South America. He also laid plans for the meeting of a Pan-American Conference in Washington.

The Department of State was in receipt of a number of acceptances to his invitations when President Arthur, Garfield's successor, ordered their cancellation.

In 1889, however, with Blaine again Secretary of State, the first International American Conference was held. Blaine's opening and closing addresses before the Conference are reprinted here. Blaine's ambitious program for the Conference—the drawing up of arbitration and reciprocity treaties—was not realized, but one solid achievement was underwritten. There was established at Washington a bureau of information of the International Union of American Republics, which subsequently came to be known as the Pan-American Union. Later conferences finally led to the massive achievements of the nineteen thirties and forties.

Blaine's addresses are reprinted from contemporary newspapers.

Two Addresses to The International American Conference

BY JAMES G. BLAINE

I. Address of Welcome

Gentlemen of the International American Conference: Speaking for the Government of the United States, I bid you welcome to this capital. Speaking for the people of the United States, I bid you welcome to every section and to every State of the Union. You come in response to an invitation extended by the President on the special authorization of Congress. Your presence here is no ordinary event. It signifies much to the people of all America to-day. It may signify far more in the days to come. No conference of nations has ever assembled to consider the welfare of territorial possessions so vast and to contemplate the possibilities of a future so great and so inspiring. Those now sitting within these walls are empowered to speak for nations whose borders are on both the great oceans, whose northern limits are touched by the Arctic waters for a thousand miles beyond the Straits of Behring and whose southern extension furnishes human habitations farther below the equator than is elsewhere possible on the globe.

The aggregate territorial extent of the nations here represented falls but little short of 12,000,000 of square miles—more than three times the area of all Europe, and but little less than one-fourth part of the globe; while in respect to the power of producing the articles which are essential to human life and those which minister to life's luxury, they constitute even a larger proportion of the entire world. These great possessions to-day have an aggregate population approaching 120,000,000, but if peopled as densely as the average of Europe, the total number would exceed 1,000,000,000. While considerations of this character must inspire Americans, both South and North, with the liveliest anticipations of future grandeur and power, they must also impress them with a sense of the gravest responsibility touching the character and development of their respective nationalities.

The Delegates I am addressing can do much to establish permanent relations of confidence, respect, and friendship between the nations which they represent. They can show to the world an honorable, peaceful conference of eighteen independent American Powers, in which all shall meet together on terms of absolute equality; a conference in which there can be no attempt to coerce a single Delegate against his own conception of the interests of his nation; a conference which will permit no secret understanding on any subject, but will frankly publish to the world all its conclusions; a conference which will tolerate no spirit of conquest, but will aim to cultivate an American sympathy as broad as both continents; a conference which will form no selfish alliance against the older nations from which we are proud to claim inheritance—a conference, in fine, which will seek nothing, propose nothing, endure nothing that is not, in the general sense of all the Delegates, timely and wise and peaceful.

And yet we can not be expected to forget that our common fate has made us inhabitants of the two continents which, at the close of four centuries, are still regarded beyond the seas as the New World. Like situations beget like sympathies and impose like duties. We meet in firm belief that the nations of America ought to be and can be more helpful, each to the other, than they now are, and that each will find advantage and profit from an enlarged intercourse with the others.

We believe that we should be drawn together more closely by the highways of the sea, and that at no distant day the railway systems of the north and south will meet upon the isthmus and connect by land routes the political and commercial capitals of all America.

We believe that hearty co-operation, based on hearty confidence, will save all American States from the burdens and evils which have long and cruelly afflicted the older nations of the world.

We believe that a spirit of justice, of common and equal interest between the American States, will leave no room for an artificial balance of power like unto that which has led to wars abroad and drenched Europe in blood.

We believe that friendship, avowed with candor and maintained with good faith, will remove from American States the necessity of guarding boundary lines between themselves with fortifications and military force.

We believe that standing armies, beyond those which are needful for public order and the safety of internal administration, should be unknown on both American continents.

We believe that friendship and not force, the spirit of just law and not the violence of the mob, should be the recognized rule of administration between American nations and in American nations.

To these subjects, and those which are cognate thereto, the attention of this Conference is earnestly and cordially invited by the Government of the United States. It will be a great gain when we shall acquire that common confidence on which all international friendship must rest. It will be a greater gain when we shall be able to draw the people of all American nations into close acquaintance with each other, an end to be facilitated by more frequent and more rapid intercommunication. It will be the greatest gain when the personal and commercial relations of the American States, south and north, shall be so developed and so regulated that each shall acquire the highest possible advantage from the enlightened and enlarged intercourse of all.

2. FAREWELL ADDRESS

Gentlemen: I withhold for a moment the word of final adjournment, in order that I may express to you the profound satisfaction with which the Government of the United States regards the work that has been accomplished by the International American Conference. The importance of the subjects which have claimed your attention, the comprehensive intelligence and watchful patriotism which you have brought to their discussion, must challenge the confidence and secure the admiration of the Governments and peoples whom you represent; while that larger patriotism which constitutes the fraternity of nations has received from you an impulse such as the world has not before seen.

The extent and value of all that has been worthily achieved by your Conference can not be measured to-day. We stand too near it. Time will define and heighten the estimate of your work; experience will confirm our present faith; final results will be your vindication and your triumph.

If, in this closing hour, the Conference had but one deed to celebrate, we should dare call the world's attention to the deliberate, confident, solemn dedication of two great continents to peace, and to the prosperity which has peace for its foundation. We hold up this new *Magna Charta*, which abolishes war and substitutes arbitration between the American Republics, as the first and great fruit of the International American Conference. That noblest of Americans, the aged poet and philanthropist, Whittier, is the first to send his salutation and his benediction, declaring,

"If in the spirit of peace the American Conference agrees upon a rule of arbitration which shall make war in this hemisphere well-nigh impossible, its sessions will prove one of the most important events in the history of the world."

I am instructed by the President to express the wish that before the members of the Conference shall leave for their distant homes, they will accept the hospitality of the United States in a visit to the Southern section of the Union, similar to the one they have already made to the Eastern and Western sections. The President trusts that the tour will not only be a pleasant incident of your farewell to the country, but that you will find advantage in a visit to so interesting and important a part of our Republic.

May I express to you, gentlemen, my deep appreciation of the honor you did me in calling me to preside over your deliberations. Your kindness has been unceasing, and for your formal words of approval I offer you my sincerest gratitude.

Invoking the blessing of Almighty God upon the patriotic and fraternal work which has been here begun for the good of mankind, I now declare the American International Conference adjourned without day.

Part Eight

UNREST AND EXPANSION IN THE NINETIES

INTRODUCTION

1. THE FIRST STEPS TOWARD GOVERNMENT INTERVENTION

THE AMERICAN GOVERNMENT could not long occupy that happy state where no obligations for the welfare and prosperity of its people, other than the maintenance of civil order, had to be assumed. True, by its public land, railroad, tariff, and monetary and fiscal policies, it had intervened to further the fortunes of the young industrial capitalism. Once having done that, however, it withdrew, under the assumption that the orderly operations of business and the market place would resolve all perplexities. Such was not to be the case, however, and before long pressures were to appear that were to demand intervention on behalf of the less favored in the economic round. In this direction, American policy developed slowly and hesitantly; indeed, a long period of time was to elapse before even those regulatory acts to curb abuses and unfair practices were energetically enforced. And it was not until the Democracy once more returned to power, with the election of Woodrow Wilson in 1912, that a clearly thought-out program of state interventionism in the interests of small industrial producers, farmers, workers, and the consuming public generally was launched. As a result of the involvement of the United States in World War I, this program was never completed; it may be said that the New Deal, under Franklin D. Roosevelt, in considerable measure, took up the unfinished tasks left by Woodrow Wilson. With the completion of the decade of the 1930s, the United States had undergone another revolution. Then, full intervention had been established as the basis of public policy; and America began to live in the epoch of state capitalism.

Regulation of the Railroads. The first step in the direction of federal intervention came in the field of railroading. Abuses associated with the railroad industry had become oppressive during the seventies and the eighties. Not only had the securities of the railroads been flagrantly manipulated by promoters with the resulting spoliation of investors; not only had management disregarded the comfort and safety of the traveling public; but the discriminatory tactics employed as regards small shippers and farmers had been notorious. The payment of rebates to great business groups in a position to demand them; higher rates for short hauls than for long ones; frequent rate wars which were followed by pools to end competition completely—these were the outstanding malpractices that caused a widespread discontent. Agrarian groups in Western legislatures had sought to come to grips with these evils by the passage of the so-called Granger laws. These had been really ineffective; and they were rendered entirely nugatory by the Supreme Court decision of 1886 in the Wabash case. Now the clamor against the railroads could not be stilled; and a reluctant Congress was compelled to take action.

Efforts repeatedly had been made during the seventies to pass railroad legislation through Congress. A bill had been introduced in 1874, had passed the House, but failed in the Senate. The same had been the fate of another bill presented in 1878. Finally in 1885, a resolution was carried calling for a Senate committee of investigation.

The inquiry conducted by this committee proved conclusively all the claims of those who were demanding railroad legislation. The committee, after listening to businessmen and

farmers all over the country, was compelled to declare: "It is the deliberate judgment of the committee that upon no public question are the people so nearly unanimous as upon the proposition that Congress should undertake in some way the regulation of interstate commerce."

Congress debated railroad legislation for a whole year before it finally wrote the Interstate Commerce Act of 1887. Based upon English legislative and regulatory experience, the law provided that all charges made by railway carriers should be "reasonable and just"; that special rates, rebates, and drawbacks were illegal; and that discrimination between persons, places, and commodities was to be proceeded against. No carrier was to charge more for transportation for a short haul than for a long haul when the conditions were substantially the same. Railway pools were outlawed. And railroad companies were to file schedules of rates and to give ten days' notice of changes in rates. To enforce these provisions, an Interstate Commerce Commission was to be set up and was to be given the power of investigating the management of interstate carriers and of making reports upon findings of fact. From there on, the regular judicial machinery of the country was to be invoked to compel enforcement of the rulings of the commission.

President Cleveland established the Interstate Commerce Commission and for a short time the law and the regulations growing out of it were observed. Railroads reduced local rates, simplified schedules, and announced the disbanding of pools. But by 1890 opposition to the commission was out in the open; and indeed, before the decade was over, the federal courts had succeeded in tying its hands so effectively that it became little more than an agency for the collection of statistics.

Witnesses were recalcitrant; the railroads denied that the commission had judicial powers; long periods elapsed between the drawing up of regulations and their final enforcement; and the traveling and shipping public lost heart when, during the years 1887 to 1905, out of sixteen decisions appealed from the commission, the Supreme Court found for the railroads in the case of fifteen.

In 1897, the powers of the commission were virtually emasculated when the Supreme Court ruled, in the Maximum Freight Rate case, that the commission had no authority to set a maximum rate. The commission had never claimed the rate-making power; it had, however, again and again declared that it might prescribe a modification of rates if discrimination had been established. This the Court denied. The Court indicated that the commission's functions consisted merely of the following: It had the duty of collecting railroad statistics; it had the right to demand the publication of rates by the companies; it could make sure that the carriers did not indulge in rebating and did not discriminate between short hauls and long hauls. It was not until 1906, as a result of the passage of the Hepburn Act, that Congress finally gave the commission the right to reduce rates when complaints had shown them to be unreasonable or discriminatory; and it was not until 1913 that Congress permitted the Interstate Commerce Commission to make a fiscal valuation of railroad properties as the first step toward arriving at a scientific basis of rate making. Intervention had got off to a slow start; but a precedent had been created.

Monopoly Efforts. In 1890, Congress took a second step in the direction of the regulation of business when it passed the Sherman Anti-Trust Law. Business was supposed to function according to the classic precepts of the economic textbooks. A free market, in which buyers and sellers met on an equal footing and had full information, presumably fixed prices and determined the quantities of goods that could be absorbed. Inefficiency of management suffered a just fate through bankruptcy. Free competition permitted only the competent to survive and resulted in constantly lowering costs schedules; and consumers benefited through declining prices.

We have seen how, in very real measure,

these laws of the market place actually functioned. Efficiencies improved, prices declined, and great quantities of producer and consumer goods were made available to the American people. Despite tariffs, rebates, and pools, monopoly practices were less characteristic of American industrial capitalism, during the first generation of its growth, than was true of the English and German counterparts. This does not mean, however, that there did not appear from time to time attempts to limit competition.

During the sixties and seventies, occasional pools had been formed by which combinations of producers in the same industry had sought to fix prices, limit production, and allocate markets. But these were illegal devices under the common law and could not be enforced in the courts. The fact is, pooling agreements were quickly violated by the members themselves, who often entered upon such arrangements only for the purpose of learning the trade secrets and policies of competitors.

But a more determined effort—this time participated in by important groups of industries—appeared in 1879 when the "trust" was created. The first such agency was the Standard Oil Trust, and through it some forty companies combined to control 90 percent of the oil refining business and 90 percent of the pipe lines of the country. The Standard Oil Trust, as revised in 1882, was ruled over by nine individuals among whom the outstanding figure was John D. Rockefeller. Put simply, the trust worked this way: The participants in it did not surrender their corporate identities or merge their assets. They created a small board of trustees to whom were assigned the stocks of the cooperating members; and against these were issued trust certificates. These could be traded in; and of course profits from joint operations were divided among the holders.

Between 1879 and 1896, about a dozen such trusts made their appearance, the most important being found in oil refining, cottonseed oil, whisky distilling, and sugar refining. Because trust agreements were matters of record, the trust could be prosecuted under the common law. Louisiana instituted such a proceeding against the cottonseed oil trust in 1887; New York moved to dissolve the sugar trust in 1889; and Ohio launched a similar attack on the Standard Oil Trust in 1890. Such state prosecutions were successful and trusts were ordered dissolved.

Beginning with 1897, and finding a welcome reception in the state of New Jersey (which passed permissive legislation), holding companies and mergers replaced the trusts. The holding companies either bought outright all the separate organizations they were combining, or acquired control of each unit through purchase of a majority of the stock; for management purposes, however, corporate identities were preserved. Mergers threw all resources and capital together and started out afresh as new corporations. This third effort to establish monopoly controls lasted for about seven years. Among its most significant fruits were the Standard Oil Company of New Jersey, the United States Steel Corporation, International Harvester Company, and the American Sugar Refining Company. (In the next section their practices and history will be examined in greater detail.)

Despite these attempts, it is doubtful whether the free market was seriously interfered with before 1897. But after 1897, another tale was to be told. From then on, prices were managed—this was true notably of heavy industry where the holding companies and mergers appeared in such great numbers; and real wages made no gains. It may be said, therefore, that the era of a freely functioning competitive economy—certainly as far as heavy industry was concerned—really did not continue for much more than a generation. With the retirement from active management of the original company of industrial innovators—Andrew Carnegie, John D. Rockefeller, Cyrus H. McCormick—an epoch ended.

The Sherman Anti-Trust Law. Because of the popular outcry against monopoly, federal

intervention again was necessary. The Sherman Anti-Trust Law was passed in 1890. This declared that every "combination in the form of trust or otherwise, or conspiracy, in restraint of trade" was illegal. All persons so combining or conspiring were guilty of misdemeanors and were punishable by fine or imprisonment. The federal circuit courts were invested with jurisdiction; and the federal attorneys were empowered to begin proceedings in equity to check violations. At the same time, a person injured by a combination in restraint of trade might sue in the federal courts for three times the damage sustained by him.

Having committed its good intentions to the statute books, Congress, and those who had supported it, could only hope that the federal Department of Justice and the federal courts would proceed to enforce the law vigorously. They were doomed to disappointment. In the first eleven years that the act was on the statute books, that is to say, during the Harrison, Cleveland, and McKinley administrations, a total of forty cases was passed on by the federal courts. Of these, only eighteen were brought by federal attorneys, and only ten of them were successful. The character of the respondents indicates the failure of the Sherman Anti-Trust Law. Against combinations in sugar refining, whisky distilling, and the manufacture of cash registers, the Department of Justice failed; but against three local associations of coal operators, two railroad associations, one cast-iron pipe pool, and four labor unions, the government's attorneys obtained favorable decisions.

The Supreme Court, whose growingly conservative temper, particularly in its interpretation of the Fourteenth Amendment, has already been alluded to, became now the center of bitter attack. Its popularity was not increased—rather, the reverse—when in 1895 it handed down three decisions. One of these, in the E. C. Knight case, found that the sugar trust, while it did control 95 percent of the production of refined sugar in the country, was not a combination in restraint of trade. Another declared that Eugene V. Debs, the secretary of the American Railway Union, could be sent to jail for violation of an injunction. And the third held the income tax provision of the 1894 tariff act unconstitutional.

Thus small producers, farmers, and organized labor were antagonized. These rebuffs at the hands of a conservative judiciary; the incapacity or unwillingness of Cleveland's administration to proceed with greater energy against the great industrial combinations; the continuance of depression and the administration's helplessness in the face of it, together with hard times in the agrarian West and South, led to a mobilization of new forces. Out of this climate and in a truculent temper the Populist movement emerged.

2. THE POPULIST RISING

We have already seen how Greenback groups and agrarian parties, from time to time receiving support from small labor organizations, had appeared in the political arena in the seventies and eighties to contest the supremacy of the Republican and Democratic parties. They had failed; but they prepared the way for Populism, and in 1896 the People's party captured the Democratic party and almost triumphed. Populism did not seek to part company with the free enterprise system and, to this extent, it was not a radical movement by the European reading of the term. Its leaders and much of its following came from the property classes themselves. But by demanding large-scale public intervention—in railroading, finance, the land and its resources, the welfare of the laboring populations—Populism would have struck a significant blow at industrial capitalism. Populism had another significance:

it was the last stand by agrarianism in political terms. The farmers of the West and the South, again supported by labor, put forth their greatest efforts—but they lost, and with their defeat went the power of the American farmers as an independent force. From then on, America's farmers could function only as a pressure group and were successful only when they held the political balance of power.

Farmers' Alliances. The Grange had collapsed by the early eighties, as we have seen, but before the decade was over there had emerged in its place two groups of powerful farmer organizations, one in the West and another in the South. In the Northwest this came to be called the Northwestern Alliance; in the South, the Southern Alliance. In St. Louis, in December, 1889, the Southern Alliance met in annual convention. There also appeared here representatives from the Northwestern Alliance, the National Colored Farmers' Alliance, and the Knights of Labor. The first efforts at fusion of the two great farmer bodies failed, but a set of resolutions was adopted in which both concurred. These called for: the free coinage of silver; the abolition of national banks; government ownership of railroads; ownership of lands by Americans only; the prohibition of trading in grain futures; and the end of protective tariffs. A separate resolution, passed by the Southern Alliance only, advocated the adoption of the subtreasury plan.

The subtreasury scheme, which was really the heart of Populist fiscal policy, called for government financing of farm surpluses. The plan proposed that the Federal government establish county warehouses to which farmers might bring their nonperishable products—grains, tobacco, cotton, sugar, wool—and for them obtain certificates of deposit. Upon presentation of these certificates to a so-called subtreasury office, farmers would then be entitled to loans in legal-tender notes up to 80 percent of the market value of the products stored. The certificates of deposit also were negotiable, and any person holding them might receive either a loan in legal tenders or the goods held against them.

Thus, the subtreasury plan was intended to set up a commodity basis for credit; to free the farmers from having to rely on the banks for their short-term credit needs; to make possible the orderly marketing of crops; and to use the federal Treasury surpluses for agricultural relief. The Populists, under the pressure of the Democrats, abandoned the subtreasury idea in 1896. And when they failed, the hope of rural credit relief went out with their cause. It was not until 1913, under the New Freedom, that any attention was paid this problem; and not until 1933, under the New Deal, that commodity loans began to be made. But the New Deal perverted the idea—for it linked commodity loans with crop restriction.

The People's Party. It will be noted that this first farmer platform of 1889 did not advocate political action. But in 1890, the farmers were mobilized and already at the polls. In Kansas, Nebraska, and South Dakota, organizations appeared calling themselves the People's party, or variants of that name, and began to agitate for the passage of the agrarian program. During the decade after 1887, drought and locusts had swept the Great Plains, and crop failures were the rule. But low prices—set in world markets—continued to prevail; so that farm debts were becoming too heavy to bear. The inability of commercial banks to render assistance made Kansans notably desperate. Their People's party appeared in June, 1890.

A company of local leaders—Mary E. Lease, Jerry Simpson, W. A. Peffer—sprang up to preach the farmers' crusade. Appearing in the small white churches and the little red schoolhouses of the plains country, and employing all devices of American revivalism, they whipped up their followers into a frenzy. There was an unholy combination of the railroads, the monopolists, the national banks, and the mortgage companies. Money was scarce; interest rates were high; taxes were exorbitant; prices were low; and the railroads,

was only a single reason for business failure and domestic tension; and this was silver. The world, he argued, fearing the inability of the United States to maintain a gold standard, was dumping American securities on our markets and in this way draining off our precious metal reserves. Congress reluctantly complied, having no proposals of its own to offer, and after a stormy debate in October, 1893, the Silver Law was rescinded. But Cleveland's troubles were not over with its repeal. The Treasury was still vulnerable because the gold reserve being maintained to safeguard the greenbacks was constantly being eaten into by the presentation of Treasury certificates and legal tenders for gold coin. The reserve was also being cut down through the withdrawal of European short-term bank credits and the sale of European-held securities. Whereas the gold reserve of the Treasury in 1891 had stood at 300 millions of dollars, in November, 1893, it was at 59 millions.

The Treasury therefore resorted to four bond sales in an effort to build up its gold supply. The first three, sold in January, 1894, November, 1894, and February, 1895, were all placed with private bankers. The Treasury's operations were unsuccessful: for the bankers got their gold largely from Washington through the presentation of legal tenders for redemption. The third loan, which was turned over to a syndicate headed by the houses of Belmont and Morgan, was floated on such unfavorable terms that a storm of indignation swept the country. It is true that the bankers promised not to obtain their gold from the Treasury itself; but they bought bonds for 104½ at a time when the United States 4s were bringing 111 in the open market; and then they turned about and sold their bonds at prices averaging around 118. For the handling of a loan of sixty millions of dollars, the syndicate made more than seven millions in profits. Ironically enough, this flotation was no more successful than the first two, for by December, 1895, the gold reserve had dropped to 79 millions. A fourth loan in January, 1896, was now attempted, but this time it was sold to the public. It was heavily oversubscribed and the average price that the government obtained was 111. Floated for 100 millions of dollars, at least two fifths of the gold that the government obtained came from the Treasury itself. Gold came out of its hiding the very next year when the depression ended, but not soon enough to end Cleveland's troubles.

3. 1896

The Conventions. Thus the stage was set for the crucial campaign of 1896. The Republicans met first and, under the skillful leadership of Mark Hanna of Cleveland, in their convention at St. Louis in June, 1896, they adopted a platform that boldly took up the challenge of the agrarians and their labor friends. This included a plank calling "unreservedly for sound money"; and another defending its protective tariff policy. For its standard bearer, it named Hanna's friend and protégé Governor William McKinley of Ohio and picked Garret A. Hobart of New Jersey for the vice presidency. Hanna himself was elected chairman of the Republican National Committee.

The Democrats met in Chicago in July, and it was at once apparent that their ranks were divided. It is true that in state convention after state convention, they had repudiated Cleveland and had passed resolutions favoring the free and unlimited coinage of silver. But Cleveland had control of the powerful federal patronage and therefore a large following committed to his cause was present at the convention.

Nevertheless, as the throngs poured into Chicago, it was clear that the silver men would leave no stone unturned in their efforts to convert the Democracy into a free silver party. The fact is, this faction picked the convention's temporary chairman and took posses-

sion of the resolutions committee. The money plank that it wrote, defied the Cleveland "gold bugs" and the Republican party. It read:

> We are unalterably opposed to monometallism, which has locked fast the prosperity of an industrial people in the paralysis of hard times. Gold monometallism is a British policy, and its adoption has brought other nations into financial servitude to London. . . . We demand the free and unlimited coinage of both silver and gold at the present legal ratio of sixteen to one without waiting for the aid or consent of any other nation.

The humiliation of Cleveland went even further. Other planks of the platform pledged the Democracy to opposition to the further issuance of interest-bearing bonds in times of peace and to the emission of bank notes by the national banks. The platform declared its loyalty to tariffs for revenues only. It attacked the Supreme Court for its decision against the income tax law and it spoke up against "government by injunction."

It was in the debate on the platform—for a minority of the resolutions committee had brought in an adverse report—that William Jennings Bryan of Nebraska emerged as the "Boy Orator." Only thirty-six years of age at the time, he was the last of six speakers to discuss the currency plank: and before he had finished, the assembled host knew that it had found its leader. In the stirring peroration of his address, he threw down the gauge of battle:

> Therefore, we care not upon what lines the battle is fought. . . . If they dare to come out into the open field and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the producing masses of this nation and the world, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns—you shall not crucify mankind upon a cross of gold!

There was little doubt of the result. The platform was adopted; and, on the fifth ballot, Bryan was named the candidate of the Democratic party. As his running mate, the Democrats nominated for the vice presidency Arthur M. Sewell of Maine.

There was nothing for the People's party to do, when it assembled at St. Louis on July 22, but to endorse the Bryan candidacy and accept the free silver issue as the outstanding one of the campaign. There were radicals in the ranks of the Populists who protested at the submergence of a third party movement that had gained such extraordinary victories in the first four years of its life; and they resented the dropping of the subtreasury plan. They finally took Bryan, but insisted upon the nomination of Tom Watson of Georgia for the vice presidency. A good deal of confusion followed and, in some of the Southern states, independent Populist tickets were named.

The Campaign. Bryan carried on a remarkable campaign. He moved up and down the whole country, visited twenty-nine states, and made six hundred speeches in all. To his support rallied all the agrarians, all the monetary extremists and cranks, and all the laboring forces of the nation. Against him were mobilized the great industries, the banks, the railroads, and virtually the entire Eastern press. Mark Hanna's achievements were also cast in an heroic mold. He established two headquarters, one at New York and one at Chicago; he hired 1,400 speakers; he subsidized country newspapers; he issued tons of leaflets, hired innumerable bands; and flooded the nation with posters, brassards, and buttons.

McKinley won, but it was a very close election. McKinley received seven million popular votes to Bryan's six and one half million; and 271 electoral votes to Bryan's 176. The swing of a few thousand votes would have put Bryan into the White House. McKinley's pluralities in Indiana and Ohio were very small, and in Kentucky, Delaware, West Virginia, North Dakota, and Oregon, they were microscopic. But he carried every great industrial state. Bryan won in the Solid South, in Missouri, and in the Western states of Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, South

Dakota, Utah, Washington, and Wyoming. The defeat of Bryan, ironically enough, destroyed Populism. It is true that the People's party continued to nominate candidates in 1900, 1904, and 1908—but its force had been spent. In part this was due to the fact that the Democracy's ideology continued to contain a large leaven of Populist thinking. But more important was the return of prosperity, after 1897, to America's agrarian communities; from then on, the Middle West and the Far West once more reappeared in the Republican column of states.

The 1896 election, too, put an end to the free silver controversy. The rise in prices; the great additions to the gold supply of the world from the new Alaskan and African mines; bank credit expansion with the return of prosperity —all these laid the ghost of bimetallism. When the Currency Act of March, 1900, was passed, there were few to say it nay. The new law founded the monetary system of the country on the gold standard; established a Treasury reserve fund of 150 millions of dollars; and provided for the maintenance of this reserve by the sale of short-term bonds. Some concessions were made to the agrarian demand for more credit facilities by permitting the national banks to issue notes up to the par value of bonds deposited with the Treasury, instead of the 90 percent as had been the case before; and also national banks could be organized with a minimum capital of $25,000 in towns of 3,000 or less.

4. *THE GILDED AGE*

Social Contrasts. The Civil War had released the energies and imaginations of the industrial capitalist class, and with the manyfold opportunities presenting themselves on every hand —in the exploitation of raw material resources, in transportation, in manufacturing, mercantile pursuits—it grew to wealth and power. Ventures, requiring little capital, bloomed on every bush; and restraints were few. Money was made easily and frequently was spent riotously—often by people who had no taste in food, clothing, architecture, and house furnishings. For the Doric simplicity of the Middle Period, there was substituted a crazy composite of styles and attitudes that seemed to combine all the faults of every preceding age.

Nothing demonstrated this better than the homes in which the upper classes lived, and the interior decorations by which they surrounded themselves. Houses were copied from the Italian, the English, the Swiss, the Persian, and the French. It was the age of the jigsaw, the cupola, the mansard roof, and the castle. The interiors were no better. Rooms were loaded down with massive furniture of black walnut or golden oak. The tables had jigsaw skirts, the sideboards were rarely complete without their rows of shelves, topped by pointed arches. On the walls, in whatnots, on top of moldings, were statuettes, bronzes, shells and vases, and china and porcelain—all representing the poor taste of peoples from every corner of the earth. Men and women overate and overdressed. "Society" engaged in barbaric displays, seeking its inspiration apparently from the vulgarity of imperial Rome.

At the other extreme of the social scale lived the tens of thousands of the country's industrial population, massed together in the tenement houses and the slums of the great cities of the United States. These wretched dwellings were cheerless, cold, closed to the sun and air, and often without running water. Here came to live the new immigrants from southern, central, and eastern Europe; and as they filled the rookeries of New York and Chicago, they also fell under the exploitation of the sweatshop proprietors. Because cities grew in advance of their public services, contagious and infectious diseases swept through the slum communities. The death rate for

children under five years was appallingly high; but the death rate among young men and women—notably from tuberculosis—was also great. It was not until the appearance of rapid transit facilities and the development of a more vigilant policy on the part of municipal authorities that the meaner congested areas of the metropolises began slowly to melt away. By the next century, urban dwellings began to improve somewhat.

Despite these great extremes of wealth and poverty, as expressed in the lives of the new industrial capitalists and the immigrant slum dwellers, America was still the land of the middle class. Millions of American families lived in thousands of towns and small cities up and down the land where they spent their days quietly and pleasantly. For the most part these people were small merchants or skilled factory craftsmen; their incomes were adequate for the enjoyment of a modest and secure life; they were already possessing, before the century was over, bathrooms, central heating, and plumbing. The community living of America's towns still had about it much of the neighborliness of the antebellum period. Here lived the people who supported America's great evangelical churches and its small denominational colleges; who joined the Women's Christian Temperance Union and the Anti-Saloon League; who maintained local opera houses, which were visited by touring theatrical companies; and who thronged the lyceums of the seventies and the Chautauqua assemblies of the eighties and nineties. Its men had their fraternal lodges and mechanics' halls; its women their clubs for the study of Shakespeare, Browning, and the civilizations of Greece and Rome; its young people their singing societies and bicycle groups. The great world of Europe and the Far East—except through the agency of the foreign missions—rarely knocked on the doors of this America.

Social Progress. On every hand there were signs of social progress. Public education, during this period, increased by leaps and bounds. The first compulsory school attendance law had not been passed until 1854 by Massachusetts; but by 1900, nearly all of the states and territories in the North and West carried such legislation on their statute books. In 1870, seven million of America's children were enrolled in public schools; by 1900, their numbers had more than doubled. The public high school also was emerging, and in 1900 six thousand such schools had half a million students.

Americans were not yet going to college in large numbers. However, the lyceum and the Chautauqua brought adult education and the new scientific knowledge into every cross-roads of the country. The great, intellectually and artistically, traveled these circuits as did also America's humorists and politicians. The Chautauqua Literary and Scientific Circle was first organized in 1873, starting as a summer assembly devoted especially to Sunday-school teaching methods. But it quickly developed an elaborate curriculum of home study and readings, and its texts and study courses were soon to be found in a great many of America's middle class homes. By the end of the century, hundreds of small communities saw each summer the familiar pitched tent of their own local, or an itinerant, Chautauqua assembly, where, for a week or ten days, small town America gathered to hear concerts, listen to lectures on foreign missions, and addresses on political, literary, and scientific subjects by the celebrities of the day.

The evangelical churches continued to play a prominent role in the life of post-Civil War America. By 1870, there were more than 70,000 separate church organizations in the country, with the Methodists and Baptists leading and the Presbyterians third. Church attendance was a common middle class practice and most Americans continued to look to the clergy for guidance in intellectual, scientific, and social problems. The flame of evangelicalism was kept burning brightly. Dwight L. Moody and Ira D. Sankey were the heads of a revivalist movement which had great influence for at least two decades. During this period, too,

there appeared the Young Men's Christian Association and the Salvation Army, the first to bring evangelicalism to the young and the second into the homes of the poor. Also, the Catholic Church was growing in numbers and power; and by 1900, it could claim nine million communicants, largely among the Irish, German, and Italian immigrants.

The development of the popular newspaper was another sign of the times. In the eighties appeared Joseph Pulitzer, a Hungarian immigrant who had settled in St. Louis and who then came to New York to buy the *World*. In two years, Pulitzer made the *World* an aggressive and flamboyant journal and ran its circulation from 16,000 up to 116,000. While Pulitzer appealed to the tastes and fancies of the great masses, his news columns and editorial page were of a very high order, for he was a friend of the common people and was ready to do battle against local corruption and injustice everywhere. The successes of Pulitzer attracted William Randolph Hearst, the son of a wealthy California pioneer, who also came to New York and who in 1895 acquired and modernized the New York *Journal*. Hearst even surpassed the achievements of Pulitzer, for his circulation before long was 400,000. He filled his pages with feature writers and artists, introduced the garish Sunday supplement, and, in fact, was the founder of yellow journalism. He, too, espoused popular causes in the beginning; later, he was to become the arch-reactionary of the American press. The power of the new journalism was demonstrated when, following the destruction of the U.S.S. *Maine*, both the *World* and the *Journal* did everything they possibly could to involve the United States in a war with Spain.

Philanthropy, too, was becoming modernized. Social settlements—taking a leaf from the experiences and achievements of the English Christian Socialists—were founded in America. The most famous of these, Jane Addams' Hull House of Chicago, was opened in 1889. These established themselves in slum neighborhoods and sought to bring adult education and decency and good taste into the tenement districts. The settlement house workers ran nurseries and diet kitchens, encouraged talent among the youth they reached, and led in the fight for new factory and public welfare codes. The same was true of the charity organization societies. Their basic philosophy still assumed that need stemmed from shiftlessness; and that all dependency required was outdoor relief. But these societies did yeoman work in the battle against the slums.

Thus there were shadows and some light; there were vulgarity and social courage; everywhere there was vitality. Particularly this was so in the realms of intellectual striving and artistic endeavor. America could boast of great innovators in the field of collegiate and university education like Daniel Coit Gilman of Johns Hopkins and Charles W. Eliot of Harvard; of seminal thinkers like Charles S. Peirce and William James in philosophy; of poets like Walt Whitman and Emily Dickinson; and of novelists like Mark Twain, Henry James, and William Dean Howells. In the field of architecture, John A. Roebling, H. H. Richardson, and Louis H. Sullivan were outstanding. The paintings of Thomas Eakins, Winslow Homer, and Albert P. Ryder are still permanently displayed in American museums. In the sciences, America contributed important innovators like Willard Gibbs in physics, Simon Newcomb in astronomy, Lewis H. Morgan in anthropology, and John William Draper in chemistry.

There were defenders of economic orthodoxy in the persons of William G. Sumner and John Bates Clark, who spoke for the laissez-faire doctrines of industrial capitalism. On the other hand, there were voices raised in dissent, of whom the greatest were Henry George and Thorstein Veblen. Other protestants were Wendell Phillips of Boston who, after the Abolitionist fight was won, became a stalwart friend of the working classes; George William Curtis of New York, who was an outstanding civil service reformer; and

Henry D. Lloyd of Chicago, whose *Wealth against Commonwealth* was the first searching examination of the processes by which monopoly was establishing itself in America.

These were wholly authentic thinkers and artists; they were innovators, too, as were the industrial capitalists. The America in which they moved they expressed in stone and steel, poetry and novels, economic manifestoes and educational plans. The outer crust of this Gilded Age was cruel and hard and frequently vulgar; but underneath were cool springs to sustain the genius of an Emily Dickinson, an Albert Ryder, and a Louis Sullivan.

5. *EXPANSION OVERSEAS*

It was inevitable that American horizons should grow as the United States became one of the great economic powers of the world. The end of the century saw us embarking upon a series of adventures overseas; we fought a war, obtained an empire, and assumed responsibilities in distant lands.

Cuba. The war with Spain took place because of our growing concern over Cuba. Cuba did not suddenly burst upon our eyes in the nineties: because of its proximity it had had the attention of American Presidents and their Secretaries of State, on and off, since the beginning of the nineteenth century. And its opportunities for trade and capital investment had been appreciated by enterprising Americans and, to a small extent, been taken advantage of. American political leaders feared that Spain might lose Cuba and some mightier Power, Great Britain, for example, would take possession of the island to dominate the Caribbean. Therefore, as Americans became increasingly interested in the building of a Panama Canal, the establishment of security in this region became the key to American policy. Earlier, we had labored to maintain Spanish sovereignty; then, in the fifties, we had sought to purchase the island; and, with the outbreak of insurrection in Cuba, from 1868 to 1878, Americans began to talk of Cuban independence. But the so-called Ten Years' War failed. It did lead, however, to the exile of sizable numbers of leaders of the insurgents, who settled in the Unites States and who kept alive the agitation for Cuban freedom.

Another Cuban war of independence began in February, 1895. Again Spain made a determined effort to put down the insurrection, sending a great army to the island for this purpose; in time, the Spanish expeditionary force numbered 200,000 men. The Spanish troops, however, found it difficult to cope with the guerilla tactics of the insurgents. The revolutionists took to the hills and carried on a silent but deadly economic warfare against plantations, transportation centers, and collaborationists. Before long, the normal life of the island was on the verge of breakdown.

The next year Spain decided to meet terror with terror and dispatched General Valeriano Weyler to the island with orders to hunt down the guerillas. Weyler built a series of blockhouses across Cuba in the hope of corralling the insurgent forces in a gradually restricted area; he took measures to stop the rebels from living off the countryside by ordering the collection of the islanders in concentration camps. In time some 400,000 Cubans were living in such areas where, because of Spanish indifference, ignorance, and cruelty, they died in large numbers of hunger and disease.

It was this famous "reconcentration" system that excited the general indignation of Americans. The popular press took up the cause of the Cubans and brought tales of their piteous sufferings to the attention of the American people. In October, 1897, a Spanish liberal ministry came into power; it recalled Weyler; and assurances were given to the American minister at Madrid that autonomy would be

granted to Cuba as soon as order had been restored.

But all Cubans, apparently, did not seek freedom or even autonomy. The fact is, the inhabitants of Havana, the island's capital city, continued loyal to the Spanish crown. Disorders broke out as a result of encounters between autonomists and anti-autonomists; American lives and property were in danger; and at the request of our consul general an American warship was sent to Cuban waters. This was the mission of the U.S.S. *Maine*, which appeared in Havana harbor in January, 1898. It was received with every token of friendship and its officers and men were made much of. On the evening of February 15, however, America was horrified to learn that the *Maine* had been blown up, with a loss of 260 lives.

A naval court of inquiry, dispatched to the spot, submitted a report which declared that the *Maine* had been blown up by a submarine mine which, in turn, had led to the partial explosion of some of the cruiser's magazines. The court was not able to establish responsibility for the destruction of the *Maine*. In the minds of the American people, however, there were no doubts. The *Maine* had been destroyed by agents of the Spanish government; and its loss had to be redressed. On March 9, before even the court of inquiry had reported, Congress appropriated $50,000,000 for the national defense and placed the fund in the hands of the President to be used at his discretion. "Remember the *Maine*" became a popular cry of yellow journals and politicians.

A series of misunderstandings led to the formal declaration of war. Demands were made upon the Spanish government for the establishment of an armistice on the island and the immediate revocation of the reconcentration order. About the second point there was no debate. On the first, however, Spain, fearful of losing face, hedged. It was prepared to terminate hostilities only if the insurgents asked for the armistice. A good deal of backing and filling took place, but finally, on April 8 and 9, the American minister at Madrid was able to cable Washington that Spain had yielded on every point.

Apparently, however, it was too late; President McKinley had decided to join the war party. On April 11, he sent a message to Congress which declared that he had exhausted every means calculated to relieve the Cuban situation. He asked that he be given power to take measures to put an end to hostilities in Cuba and to use the military and naval forces of the United States if need be. This was a request for war declaration; and, on April 19, Congress complied.

The War with Spain. The Spanish-American War was a short and glorious one. It drove the declining Spanish power out of the Western Hemisphere; gave us an overseas empire; cemented the friendship between the United States and Britain; subjected our new navy to its baptism by fire; created a military reputation for Theodore Roosevelt; and reassured the triumph of the Republican party in the next election. The United States emerged as one of the world's great nations as a consequence.

The brief war between the United States and Spain consisted of four operations: (1) The defeat of the Spanish fleet at Manila; (2) the blockade of Cuba; (3) the tracking down of the main Spanish fleet commanded by Admiral Cervera; (4) the invasion of Puerto Rico.

The initial blow at Manila was successful because of the foresight of Assistant Secretary of the Navy Theodore Roosevelt, who ordered Commodore George Dewey, then in charge of the Asiatic Squadron, to keep in readiness for any eventuality. Five days after the war declaration, Dewey was out of Hong Kong and, on April 30, he was entering Manila Bay. The Spanish squadron was outnumbered; and it had been taken completely unawares. Within seven hours the Spanish fleet was entirely destroyed and most of the shore batteries had been silenced. American casualties consisted of seven wounded.

But Dewey was accompanied by no transports; and it was necessary that he await the arrival of military reinforcements before the city of Manila could be assaulted. As he fretted in Manila harbor, his position was made increasingly uncomfortable by the arrival of a large German squadron of five ships, which had appeared presumably to protect the interests of German nationals. The Germans were looking for trouble; but a British squadron soon appeared—to watch the Germans and to help Dewey. It was not until July that Dewey was able to breathe easier, for then the transports came. Manila was attacked —with Filipino insurgents taking part—and on August 13 it surrendered. By that time Spain had already capitulated.

It was in the West Indies theater that the American navy made its superiority felt at once. A blockade was thrown about the island of Cuba by two American squadrons, so that it was impossible for the Spaniards to send any assistance to their beleaguered armies. Meanwhile the departure from home waters of the main Spanish fleet under Admiral Cervera and its disappearance into the blue produced panic on the American eastern seaboard. Vainly the hunt for Cervera continued as Boston, New York, and Philadelphia spent sleepless nights worrying about imminent bombardment; actually, Cervera was headed for Cuba and he put into Santiago harbor on May 19. Here he was in time bottled up by Admiral Schley's Flying Squadron and Admiral Sampson's Atlantic Fleet.

Cervera's position was made impossible when an American army landed on the Cuban coast and proceeded to assault Santiago from the rear. There took place a series of engagements for the capture of the heights overlooking the city; one of these was San Juan Hill. In the fight for this hill there participated the famous First Volunteer Cavalry Regiment headed by Colonel Leonard Wood and Lieutenant Colonel Theodore Roosevelt. Roosevelt had quit the Navy Department and had recruited the so-called Rough Riders from among the cowboys of the Southwest ranching country; Wood, who had been a surgeon in the regular army, was nominally in charge. San Juan Hill fell on the night of July 1, as did the other heights commanding Santiago.

Cervera had to quit the harbor. On July 3 he led his ships out and the Spanish fleet streaked off to the West, with Schley in hot pursuit. A running fight took place and in less than four hours the whole Spanish navy had been wiped out. Only one American sailor had been killed. On July 17, Santiago surrendered.

General Miles, in charge of the American army, now proceeded to Puerto Rico; and in two weeks the greater part of the island had been yielded up. Americans had lost in battle combat only a handful of men. Nevertheless, there were heavy casualties; these took place in home encampments where, because of lack of medical knowledge on the part of American officers and because of inadequate supply arrangements, many men died of disease and food poisoning.

The Peace Settlement. On July 26, Spain sued for peace; the war was over after only one hundred and thirteen days of fighting. Under the armistice terms, Spain had agreed to the surrender of her sovereignty over Cuba, the cession of Puerto Rico to the United States, and the occupation of the city, bay, and harbor of Manila by American forces. The peace treaty was to decide the disposition of the Philippines. American peace commissioners were sent to Paris in October, and they sat around unhappily waiting for Washington to make up its mind. Captain Alfred T. Mahan and his friends were sure we wanted the Philippines; Bryan and his friends were equally sure we did not; President McKinley did not know. Finally, as his official biographer has it, the President sought guidance in prayer. And then he was led to understand that the United States had a mission to perform—none other than the Christianizing of the Filipinos. (He did not know, apparently, that the Filipinos had been converted to

Catholicism by Spanish monks at least three hundred years earlier.) The American commission was ordered to demand the whole archipelago, and to pay something to Spain for her property rights in the islands. Upon these terms—for $20,000,000—Puerto Rico, Guam, and the Philippines were ours.

Opposition to the acquisition of the Philippines was not lacking. Indeed, during the whole month of January, 1899, the Senate debated the treaty. Annexationists or "Big Americans," as they came to be called, demanded our retention of the islands for the usual imperialist reasons. (Not the least of which was the necessity for the protection of American interests in China.) On the other hand, the so-called "Little Americans" were hostile to any programs of expansion; in this company most of the Democratic Senators were to be found. Late in January, Bryan appeared in Washington to urge upon Democratic Senators that the issue was much too important to be decided by a senatorial debate. He advised his fellow party members to vote for ratification of the treaty and leave the final determination of the Philippine question to the electorate in the presidential campaign of 1900. In short, the issue of imperialism would be the ground on which McKinley's reelection would be contested. A vote was finally taken early in February and ratification won, but only by a single vote more than the required two thirds. The division was almost entirely on party lines.

The Election of 1900. Thus the issue for 1900 was predetermined. The Republicans renominated McKinley and named as his running mate Theodore Roosevelt who, after his return from the Cuban campaign, had been elected governor of New York. The Democrats once more chose William Jennings Bryan and nominated Adlai E. Stevenson of Illinois for the vice presidency. The Populists, disappointed over their defeat in the 1896 campaign, entered an independent ticket. There also appeared for the first time at the polls the Social Democratic party, later the Socialist party, which nominated Eugene V. Debs for the presidency.

The issue was never in doubt, and Bryan was able to carry but four states outside of the Solid South; and all these were silver mining states of the Far West. The electoral college vote was 292 to 155; and a Republican Congress was also returned to Washington. But the rejoicings of the Republicans were brief. Early in September, President McKinley had gone to Buffalo to attend the so-called Pan American Exposition and here, on the fifth, he advocated tariff reciprocity as a means of uniting the United States with Latin American countries in greater bonds of amity. As he spoke he was shot down by a demented anarchist. Eight days later McKinley was dead and the young Roosevelt was President of the United States.

The United States and China. Before the decade ended, our State Department clearly outlined a Chinese policy which American Presidents and Secretaries of States were to follow without significant change for the next half century. In part, this grew out of America's newly established position in the South China Sea; in part, it was a continuation of that earlier policy which had first been outlined by Caleb Cushing in 1844; in part, it was a response to the new European imperialist pretentions in eastern Asia.

First, Japan had humiliated China in the war of 1895, obtaining the island of Formosa and the recognition of Japanese sovereignty in Korea. And then the European powers, seeing how vulnerable the Chinese were, had begun to establish footholds in the empire. In 1898, the Germans had obtained a long term lease on Kiaochow Bay; Russia had occupied Port Arthur in Manchuria; and the French and the British had obtained additional spheres of influence along the Chinese coast.

McKinley's Secretary of State, John Hay, felt that the status of American trade with China was seriously jeopardized by these activities. Therefore, on September 6, 1899, Hay sent a circular note to the American ambas-

sadors at London, Berlin, and St. Petersburg, which was, in effect, his famous so-called Open Door Note. This statement contained three propositions: (1) That the powers claiming spheres of influence in China should commit themselves to keeping the treaty ports open. (2) That the powers allow the application of the Chinese treaty tariff to the ports under their control without discrimination against other nationals. (3) That the powers would not levy higher harbor charges on vessels of other nationals calling at their ports, or fix higher railroad rates. Hay, in short, was seeking to protect the territorial integrity of China, and, at the same time, to acquire equal economic rights for American nationals in those spheres of influence which the European powers had carved out for themselves.

Great Britain quickly agreed to the American demands; and it was soon followed by Germany, France, and Russia. Japan and Italy, when approached later, also gave their assent. On March 20, 1900, Hay made a public announcement in which he expressed himself as satisfied with the results of American intervention. The guarantees of the powers, he said, were "final and definitive": that the Open Door to China would be maintained and Chinese sovereignty in the spheres of influence respected.

America was soon called upon to demonstrate its good will. A band of Chinese patriots, known as the Boxers, early in 1900 began to march on Peking and sought to overthrow the government because of its weakness in the face of foreign domination. An international force was mobilized—with American troops participating—and it proceeded to the relief of the invested Peking. Peking was entered; and the Chinese government was called upon to pay an indemnity for the damages suffered by foreign nationals at the hands of the Chinese irregulars. The American government, however, renounced its share of the indemnity and helped in the creation of an educational fund to provide scholarships for Chinese students studying in the United States. Thus, our friendship had been tested and not found wanting.

The United States and the Philippines. We were not doing as well, however, in the other areas of our newly developed interest. Until 1913, our attitude toward the Filipinos was not much unlike that of the other Powers established in eastern Asia: the Philippines were ours and were to be used entirely for the benefit of the United States. Indeed, in the beginning, the basis of policy was military terrorism. American troops in Luzon had been given effective aid by Filipino insurgents during the war; but the claim of the insurgents' leaders to recognition was flouted by the American command. The result was the outbreak of hostilities between Filipinos and Americans in February, 1899. For the next three years an American army, 60,000 strong, sought to pacify the islands; and it was not until 1902 that Washington was able to announce the end of the insurrection. Meanwhile, it had cost the United States 175 millions of dollars and the lives of 4,300 men to convince the Filipinos that our intentions were pacific.

The process of establishing self-government developed slowly. In July, 1902, the American Congress passed the first organic law for the islands, under which Filipinos were given the protection of the Bill of Rights. In 1907, the Philippines Assembly was established; in 1913, the islands became a full part of the American customs union. It was under the Jones Law, passed in August, 1916, that complete legislative power was granted Filipino representatives; by this time, too, the greater part of the civil service was native. The executive authority continued, however, in the hands of the American governor general.

The Tydings-McDuffie Act (Philippine Independence Act) of 1934 redeemed the promises of self-government the Americans had been making since 1913. A Philippine Commonwealth was set up; the islands were to have their own legislative and executive offices; the American high commissioner—rep-

resenting American sovereignty—was to be an adviser and observer; and independence was to be granted after ten years of self-rule. On July 4, 1946, this pledge was honored, and the Philippine Republic was pronounced. Meanwhile, America had been helping the Filipinos prepare for self-rule by spending great sums on education, health, and public works. In a region of the world where imperialism had uniformly taken the shape of a cruel exploitation of native populations, the Filipinos were singularly well off. They had been made ready for independence in less than fifty years.

Cuba. American practices in Cuba left much to be desired, too. Up to 1902, an American military occupation continued in the island and, under the dictatorial rule of General Leonard Wood, the United States laid the groundwork for a stable government. Church and state were separated; extraordinary sanitation programs were inaugurated; a school system was set up; and public finances were put on a sound basis. Meanwhile, Congress had passed the so-called Platt Amendment early in 1901. This demanded that a Cuban constitutional convention, already sitting, recognize the right of the United States to intervene in Cuban affairs at its pleasure. In 1903, the amendment was written into a permanent treaty between the two countries. The most important provision of the Platt Amendment declared:

> That the government of Cuba consents that the United States may exert the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the Treaty of Paris on the United States, now to be assumed and undertaken by the government of Cuba.

The Platt Amendment also compelled Cuba to grant the American Navy leases of Cuban harbors for the establishment of coaling and naval stations.

In line with this policy, American forces intervened in Cuba in 1906, and again in 1912 and in 1917; this last occupation did not end until 1922. Meanwhile, American business interests were moving into the island on a large scale, investing in sugar and tobacco lands and in iron mines. In the 1920s the American capital stake in Cuba was in excess of a billion dollars. It was not until the thirties, as a result of Franklin D. Roosevelt's Good Neighbor policy, that the Platt Amendment was repealed. Cuba was now a free and sovereign state for the first time.

Thus the expansion of the United States as the nineteenth century ended. It is doubtful whether this was imperialism, European style. America continued to be a debtor nation; its new-found strength, industrially, was being used to develop its own resources rather than to exploit hapless peoples overseas. As the century turned, American foreign investments came to only 685 millions of dollars; Europeans, on the other hand, had claims of more than three billions of dollars against American properties.

We ended the century still a debtor nation. But our industrial capitalist class was now the greatest on earth. In this fashion, the Second American Revolution—in the economic sector, at any rate—had more than realized the wildest dreams of its projectors.

THE AMERICAN MIND

WILLIAM JAMES

Josiah Royce (1855–1916) emerged from the hardships of his pioneer California background to accept and develop a philosophy which would not have sounded at all strange in the most conservative university of Europe. His metaphysics was intellectualist, for all the stress he lay on the role of volition; and the ethics he based on that metaphysics was almost Prussian in its emphasis on social order and in its insistence that only by identification with a larger social whole could the individual realize his true and essential self. In practical application of that philosophy, Royce all but expounded the "leadership principle."

William James (1842–1910), born to comfort and exposed to the influences of a cosmopolitan education, gave form and popularity to the one distinctively American development in modern philosophy. Thus, during the middle eighties and nineties, Harvard philosophy students heard William James set forth the premises of pragmatism in one classroom while, in another, they listened to Royce discussing Hegelian idealism.

James came to his philosophy almost as the result of personal necessity, for he had relinquished painting for medicine and then had turned to the study of psychology because of a neurotic disorder out of which he brought himself by an act of will. As James went on from psychology to philosophy, from which the former was only beginning to be separated as a discipline, he began to develop the pragmatism with which his name is associated.

The pragmatic criterion of truth was not entirely novel with James. In his book on the *Religious Affections*, Jonathan Edwards had made difference in conduct the test for the validity of an individual's conversion. Charles Saunders Peirce (1839–1914), one of the seminal minds in the development of American philosophy, had presented pragmatism as early as 1868. Later, he expounded his theory in more complete form in his *Illustrations of the Logic of Science*, which appeared in the *Popular Science Monthly* during 1877 and 1878. Working on mathematical foundations, Peirce argued that "natural law" was made; it did not exist in the blue awaiting discovery. Consequently, disputants on metaphysical issues should first attempt to find out whether their argument had any reason by asking, "If this were true, what actual difference would it make?"

James extended Peirce's ideas and phrased them in a fashion better adapted to win general understanding and approval. So attractive was James's language, in fact, and so well adapted to the current vernacular, that he found some of his concepts being distorted by popular acceptance, especially the core idea of his *Will to Believe*, which he would have preferred to call the "Right to Believe."

James's germinal idea—the essentially active and "interested" character of thought—had been characterizing his teaching for years, but it was not until he delivered his lecture on *Philosophical Conceptions and Practical Results* in 1898 that pragmatism received its label and began to give philosophers cause for battle. Addressing the Philosophical Union of the University of California, James showed how Peirce's criterion of "practicalism" might be used to strip philosophical argument of superfluity. "What difference in action will a given difference in idea make?" James asks. If no such difference can be found, then the argument is an exercise in futility.

James devotes most of his lecture to moral problems, however, and that, in itself, shows how much stress his philosophy put on con-

duct and on individual response to the world. He differentiates between the verbalisms of theology and "the power" which people feel within themselves when they set their attitudes in certain ways. More important, James seeks and finds moral law in the universe. He prefers the concept of "God" to that of "natural law" because the former gives permanent warrant for our highest expectations. Materialism denies that the moral order is eternal; theism affirms it, and so leaves room for hope.

If compelled to reply to John Stuart Mill's remark that that which is conformable to human desire is not necessarily true, James probably would have stressed his pragmatic criterion. The truth of a hypothesis is to be tested by its consequences in action. To intellectuals particularly, the materialist or even the agnostic hypothesis generally means depression and inability to act. Hence, James asserted the right to believe and refused to confine belief within the bounds of the evidence available, for even the suspension of judgment might hinder or inhibit the action which was life.

In this fashion, James made philosophy live for the general public. He refused to close his mind to any source of information, even the dubious information to be won from psychical research. He described the "Varieties of Religious Experience" (in his book of that name) with a care untainted by the crudities of "rationalism." He appreciated the emotional aspects of human activity so intensely that he sought a "Moral Equivalent for War"; he was too good a psychologist to attempt to replace something exciting by short cuts and subterfuges. Let youth learn the realities of life by serving an apprenticeship to the hard and disagreeable work of the world, James suggested. In that way, those shielded by money would find out upon what their easy lives depended, and human sympathy would broaden to replace the present acquisitive society with something more honorable and generous.

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Philosophical Conceptions and Practical Results

BY WILLIAM JAMES

. . . I WILL SEEK to define with you merely what seems to be the most likely direction in which to start upon the trail of truth. Years ago this direction was given to me by an American philosopher whose home is in the East, and whose published works, few as they are and scattered in periodicals, are no fit expression of his powers. I refer to Mr. Charles S. Peirce, with whose very experience as a philosopher I dare say many of you are unacquainted. He is one of the most original of contemporary thinkers; and the principle of practicalism—or pragmatism, as he called it, when I first heard him enunciate it at Cambridge in the early '70's—is the clue or compass by following which I find myself more and more confirmed in believing we may keep our feet upon the proper trail.

Peirce's principle, as we may call it, may be expressed in a variety of ways, all of them very simple. In the *Popular Science Monthly* for January, 1878, he introduces it as follows: The soul and meaning of thought, he says, can never be made to direct itself towards anything but the production of belief, belief being the demicadence which closes a musical phrase in the symphony of our intellectual life. Thought in movement has thus for its only possible motive the attainment of thought at rest. But when our thought about an object has found its rest in belief, then our action on the subject can firmly and safely begin. Beliefs, in short, are really rules for action; and the whole function of thinking is but one step in the production of habits of action. If there were any part of a thought that made no difference in the thought's practical consequences, then that part would be no proper element of the thought's significance. Thus the same thought may be clad in different words; but if the different words suggest no different conduct, they are mere outer accretions, and have no part in the thought's meaning. If, however, they determine conduct differently, they are essential elements of the significance. "Please open the door," and, "*Veuillez*

ouvrir la porte," in French, mean just the same thing; but "D—n you, open the door," although in English, *means* something very different. Thus to develop a thought's meaning we need only determine what conduct it is fitted to produce; that conduct is for us its sole significance. And the tangible fact at the root of all our thought-distinctions, however subtle, is that there is no one of them so fine as to consist in anything but a possible difference of practice. To attain perfect clearness in our thoughts of an object, then, we need only consider what effects of a conceivably practical kind the object may involve—what sensations we are to expect from it, and what reactions we must prepare. Our conception of these effects, then, is for us the whole of our conception of the object, so far as that conception has positive significance at all.

This is the principle of Peirce, the principle of pragmatism. I think myself that it should be expressed more broadly than Mr. Peirce expresses it. The ultimate test for us of what a truth means is indeed the conduct it dictates or inspires. But it inspires that conduct because it first foretells some particular turn to our experience which shall call for just that conduct from us. And I should prefer for our purposes this evening to express Peirce's principle by saying that the effective meaning of any philosophic proposition can always be brought down to some particular consequence, in our future practical experience, whether active or passive; the point lying rather in the fact that the experience must be particular, than in the fact that it must be active.

To take in the importance of this principle, one must get accustomed to applying it to concrete cases. . . .

One of its first consequences is this. Suppose there are two different philosophical definitions, or propositions, or maxims, or what not, which seem to contradict each other, and about which men dispute. If, by supposing the truth of the one, you can foresee no conceivable practical consequence to anybody at any time or place, which is different from what you would foresee if you supposed the truth of the other, why then the difference between the two propositions is no difference,—it is only a specious and verbal difference, unworthy of further contention. Both formulas mean radically the same thing, although they may say it in such different words. It is astonishing to see how many philosophical disputes collapse into insignificance the moment you subject them to this simple test. There can be no difference which doesn't make a difference—no difference in abstract truth which does not express itself in a difference of concrete fact, and of conduct consequent upon the fact, imposed on somebody, somehow, somewhere, and somewhen. . . .

If we start off with an impossible case, we shall perhaps all the more clearly see the use and scope of our principle. Let us, therefore, put ourselves, in imagination, in a position from which no forecasts of consequence, no dictates of conduct, can possibly be made, so that the principle of pragmatism finds no field of application. Let us, I mean, assume that the present moment is the absolutely last moment of the world, with bare nonentity beyond it, and no hereafter for either experience or conduct.

Now I say that in that case there would be no sense whatever in some of our most urgent and envenomed philosophical and religious debates. The question, "Is matter the producer of all things, or is a God there too?" would, for example, offer a perfectly idle and insignificant alternative if the world were finished and no more of it to come. Many of us, most of us, I think, now feel as if a terrible coldness and deadness would come over the world were we forced to believe that no informing spirit or purpose had to do with it, but it merely accidentally had come. The actually experienced details of fact might be the same on either hypothesis, some sad, some joyous; some rational, some odd and grotesque; but without a God behind them, we think they would have something ghastly, they would tell no genuine story, there would be no speculation in those eyes that they do glare with. With the God, on the other hand, they would grow solid, warm, and altogether full of real significance.

But I say that such an alternation of feelings, reasonable enough in a consciousness that is prospective, as ours now is, and whose world is partly yet to come, would be absolutely senseless and irrational in a purely retrospective consciousness summing up a world already past. For such a consciousness, no emotional interest could attach to the alternative. The problem would be purely intellectual; and if unaided matter could, with any scientific plausibility, be shown to cipher out the actual facts, then not the faintest shadow ought to cloud the mind, of regret for the God that by the same ciphering would prove needless and disappear from our belief.

For just consider the case sincerely, and say what would be the *worth* of such a God if he *were* there, with his work accomplished and his world run down. He would be worth no more than just that world was worth. To that amount of result, with its mixed merits and defects, his

creative power could attain, but go no farther. And since there is to be no future; since the whole value and meaning of the world has been already paid in and actualized in the feelings that went with it in the passing, and now go with it in the ending; since it draws no supplemental significance (such as our real world draws) from its function of preparing something yet to come; why then, by it we take God's measure, as it were. He is the Being who could once for all do *that;* and for that much we are thankful to him, but for nothing more. But now, on the contrary hypothesis, namely, that the bits of matter following their "laws" could make that world and do no less, should we not be just as thankful to them? Wherein should we suffer loss, then, if we dropped God as an hypothesis and made the matter alone responsible? Where would the special deadness, "crassness," and ghastliness come in? And how, experience being what it is once for all, would God's presence in it make it any more "living," any richer in our sight? . . .

Thus if no future detail of experience or conduct is to be deduced from our hypothesis, the debate between materialism and theism becomes quite idle and insignificant. Matter and God in that event mean exactly the same thing—the power, namely, neither more nor less, that can make just this mixed, imperfect, yet completed world—and the wise man is he who in such a case would turn his back on such a supererogatory discussion. Accordingly most men instinctively—and a large class of men, the so-called positivists or scientists, deliberately—do turn their backs on philosophical disputes from which nothing in the line of definite future consequences can be seen to follow. The verbal and empty character of our studies is surely a reproach with which you of the Philosophical Union are but too sadly familiar. An escaped Berkeley student said to me at Harvard the other day—he had never been in the philosophical department here—"Words, words, words, are all that you philosophers care for." We philosophers think it all unjust; and yet, if the principle of pragmatism be true, it is a perfectly sound reproach unless the metaphysical alternatives under investigation can be shown to have alternative practical outcomes, however delicate and distant these may be. The common man and the scientist can discover no such outcomes. And if the metaphysician can discern none either, the common man and scientist certainly are in the right of it, as against him. His science is then but pompous trifling; and the endowment of a professorship for such a being would be something really absurd.

Accordingly, in every genuine metaphysical debate some practical issue, however remote, is really involved. To realize this, revert with me to the question of materialism or theism; and place yourselves this time in the real world we live in, the world that has a future, that is yet uncompleted whilst we speak. In this unfinished world the alternative of "materialism or theism?" is intensely practical; and it is worth while for us to spend some minutes of our hour in seeing how truly this is the case. . . .

Theism and materialism, so indifferent when taken retrospectively, point when we take them prospectively to wholly different practical consequences, to opposite outlooks of experience. For, according to the theory of mechanical evolution, the laws of redistribution of matter and motion, though they are certainly to thank for all the good hours which our organisms have ever yielded us and for all the ideas which our minds now frame, are yet fatally certain to undo their work again, and to redissolve everything that they have once evolved. You all know the picture of the last foreseeable state of the dead universe, as evolutionary science gives it forth. I cannot state it better than in Mr. Balfour's words: "The energies of our system will decay, the glory of the sun will be dimmed, and the earth, tideless and inert, will no longer tolerate the race which has for a moment disturbed its solitude. Man will go down into the pit, and all his thoughts will perish. The uneasy consciousness which in this obscure corner has for a brief space broken the contented silence of the universe, will be at rest. Matter will know itself no longer. 'Imperishable monuments' and 'immortal deeds,' death itself, and love stronger than death, will be as if they had not been. Nor will anything that is, be better or worse for all that the labor, genius, devotion, and suffering of man have striven through countless ages to effect."

That is the sting of it, that in the vast driftings of the cosmic weather, though many a jewelled shore appears, and many an enchanted cloud-bank floats away, long lingering ere it be dissolved—even as our world now lingers, for our joy—yet when these transient products are gone, nothing, absolutely *nothing* remains, to represent those particular qualities, those elements of preciousness which they may have enshrined. Dead and gone are they, gone utterly from the very sphere and room of being. Without an echo; without a memory; without an influence on aught that may come after, to make it care for similar ideals. This utter final wreck and tragedy is of the essence of scientific materialism as at present understood. The lower and not the higher forces are the

eternal forces, or the last surviving forces within the only cycle of evolution which we can definitely see. Mr. Spencer believes this as much as anyone; so why should he argue with us as if we were making silly æsthetic objections to the "grossness" of "matter and motion,"—the principles of his philosophy,—when what really dismays us in it is the disconsolateness of its ulterior practical results?

No, the true objection to materialism is not positive but negative. It would be farcical at this day to make complaint of it for what it *is*, for "grossness." Grossness is what grossness *does*—we now know *that*. We make complaint of it, on the contrary, for what it is *not*—not a permanent warrant for our more ideal interests, not a fulfiller of our remotest hopes.

The notion of God, on the other hand, however inferior it may be in clearness to those mathematical notions so current in mechanical philosophy, has at least this practical superiority over them, that it guarantees an ideal order that shall be permanently preserved. A world with a God in it to say the last word, may indeed burn up or freeze, but we then think of Him as still mindful of the old ideals and sure to bring them elsewhere to fruition; so that, where He is, tragedy is only provisional and partial, and shipwreck and dissolution not the absolutely final things. This need of an eternal moral order is one of the deepest needs of our breast. And those poets, like Dante and Wordsworth, who live on the conviction of such an order, owe to that fact the extraordinary tonic and consoling power of their verse. Here then, in these different emotional and practical appeals, in these adjustments of our concrete attitudes of hope and expectation, and all the delicate consequences which their differences entail, lie the real meanings of materialism and theism—not in hairsplitting abstractions about matter's inner essence, or about the metaphysical attributes of God. Materialism means simply the denial that the moral order is eternal, and the cutting off of ultimate hopes; theism means the affirmation of an eternal moral order and the letting loose of hope. Surely here is an issue genuine enough, for anyone who feels it; and, as long as men are men, it will yield matter for serious philosophic debate. Concerning this question, at any rate, the positivists and pooh-pooh-ers of metaphysics are in the wrong. . . .

Now if we look at the definitions of God made by dogmatic theology, we see immediately that some stand and some fall when treated by this test. God, for example, as any orthodox text-book will tell us, is a being existing not only *per se*, or by himself, as created beings exist, but *a se*, or from himself; and out of this "aseity" flow most of his perfections. He is, for example, necessary; absolute; infinite in all respects; and single. He is simple, not compounded of essence and existence, substance and accident, actuality and potentiality, or subject and attributes, as are other things. He belongs to no genus; he is inwardly and outwardly unalterable; he knows and wills all things, and first of all his own infinite self, in one indivisible eternal act. And he is absolutely self-sufficing and infinitely happy.—Now in which one of us practical Americans here assembled does this conglomeration of attributes awaken any sense of reality? And if in no one, then why not? Surely because such attributes awaken no responsive active feelings and call for no particular conduct of our own. How does God's "aseity" come home to *you?* What specific thing can I do to adapt myself to his "simplicity"? Or how determine our behavior henceforth if his "felicity" is anyhow absolutely complete? . . . The attributes which I have quoted have absolutely nothing to do with religion, for religion is a living practical affair. Other parts, indeed, of God's traditional description do have practical connection with life, and have owed all their historic importance to that fact. His omniscience, for example, and his justice. With the one he sees us in the dark, with the other he rewards and punishes what he sees. So do his ubiquity and eternity and unalterability appeal to our confidence, and his goodness banish our fears. Even attributes of less meaning to this present audience have in past times so appealed. One of the chief attributes of God, according to the orthodox theology, is his infinite love of himself, proved by asking the question, "By what but an infinite object can an infinite affection be appeased?" An immediate consequence of this primary self-love of God is the orthodox dogma that the manifestation of his own glory is God's primal purpose in creation; and that dogma has certainly made very efficient practical connection with life. It is true that we ourselves are tending to outgrow this old monarchical conception of a Deity with his "court" and pomp—"his state is kingly, thousands at his bidding speed," etc.—but there is no denying the enormous influence it has had over ecclesiastical history, nor, by repercussion, over the history of European states. And yet even these more real and significant attributes have the trail of the serpent over them as the books on theology have actually worked them out. One feels that, in the theologians' hands, they are only a set of dictionary-adjectives, mechanically deduced; logic has stepped into the place of vision, professional-

ism into that of life. Instead of bread we get a stone; instead of a fish, a serpent. Did such a conglomeration of abstract general terms give really the gist of our knowledge of the Deity, divinity-schools might indeed continue to flourish, but religion, vital religion, would have taken its flight from this world. What keeps religion going is something else than abstract definitions and systems of logically concatenated adjectives, and something different from faculties of theology and their professors. All these things are after-effects, secondary accretions upon a mass of concrete religious experiences, connecting themselves with feeling and conduct that renew themselves *in sæcula sæculorum* in the lives of humble private men. If you ask what these experiences are, they are conversations with the unseen, voices and visions, responses to prayer, changes of heart, deliverances from fear, inflowings of help, assurances of support, whenever certain persons set their own internal attitude in certain appropriate ways. The power comes and goes and is lost, and can be found only in a certain definite direction, just as if it were a concrete material thing. These direct experiences of a wider spiritual life with which our superficial consciousness is continuous, and with which it keeps up an intense commerce, form the primary mass of direct religious experience on which all hearsay religion rests, and which furnishes that notion of an ever-present God, out of which systematic theology thereupon proceeds to make capital in its own unreal pedantic way. What the word "God" means is just those passive and active experiences of your life. . . .

I can best continue to recommend the principle of practicalism to you by keeping in the neighborhood of this theological idea. I reminded you a few minutes ago that the old monarchical notion of the Deity as a sort of Louis the Fourteenth of the Heavens is losing nowaday much of its ancient prestige. Religious philosophy, like all philosophy, is growing more and more idealistic. And in the philosophy of the Absolute, so called, that post-Kantian form of idealism which is carrying so many of our higher minds before it, we have the triumph of what in old times was summarily disposed of as the pantheistic heresy,—I mean the conception of God, not as the extraneous creator, but as the indwelling spirit and substance of the world. I know not where one can find a more candid, more clear, or, on the whole, more persuasive statement of this theology of Absolute Idealism than in the addresses made before this very Union three years ago by your own great Californian philosopher (whose colleague at Harvard I am proud to be), Josiah Royce. His contributions to the resulting volume, *The Conception of God*, form a very masterpiece of popularization. Now you will remember, many of you, that in the discussion that followed Professor Royce's first address, the debate turned largely on the ideas of unity and plurality, and on the question whether, if God be One in All and All in All, "One with the unity of a single instant," as Royce calls it, "forming in His wholeness one luminously transparent moment," any room is left for real morality or freedom. . . .

The question whether the world is at bottom One or Many is a typical metaphysical question. Long has it raged! In its crudest form it is an exquisite example of the *loggerheads* of metaphysics. "I say it is one great fact," Parmenides and Spinoza exclaim. "I say it is many little facts," reply the atomists and associationists. "I say it is both one and many, many in one," say the Hegelians; and in the ordinary popular discussions we rarely get beyond this barren reiteration by the disputants of their pet adjectives of number. But is it not first of all clear that when we take such an adjective as "One" absolutely and abstractly, its meaning is so vague and empty that it makes no difference whether we affirm or deny it? Certainly this universe is not the mere number One; and yet you can number it "one," if you like, in talking about it as contrasted with other possible worlds numbered "two" and "three" for the occasion. What exact thing do you *practically* mean by "One," when you call the universe One, is the first question you must ask. In what ways does the oneness come home to your own personal life? By what difference does it express itself in your experience? How can you act differently towards a universe which is one? Inquired into in this way, the unity might grow clear and be affirmed in some ways and denied in others, and so cleared up, even though a certain vague and worshipful portentousness might disappear from the notion of it in the process.

For instance, one practical result that follows when we have one thing to handle, is that we can pass from one part of it to another without letting go of the thing. In this sense oneness must be partly denied and partly affirmed of our universe. Physically we can pass continuously in various manners from one part of it to another part. But logically and psychically the passage seems less easy, for there is no obvious transition from one mind to another, or from minds to physical things. You have to step off and get on again; so that in these ways the world is not one, as measured by that practical test.

Another practical meaning of oneness is sus-

ceptibility of collection. A collection is one, though the things that compose it be many. Now, can we practically "collect" the universe? Physically, of course we cannot. And mentally we cannot, if we take it concretely in its details. But if we take it summarily and abstractly, then we collect it mentally whenever we refer to it, even as I do now when I fling the term "universe" at it, and so seem to leave a mental ring around it. It is plain, however, that such abstract noetic unity (as one might call it) is practically an extremely insignificant thing.

Again, oneness may mean generic sameness, so that you can treat all parts of the collection by one rule and get the same results. It is evident that in this sense the oneness of our world is incomplete, for in spite of much generic sameness in its elements and items, they still remain of many irreducible kinds. You can't pass by mere logic all over the field of it.

Its elements have, however, an affinity or commensurability with each other, are not wholly irrelevant, but can be compared, and fit together after certain fashions. This again might practically mean that they were one *in origin*, and that, tracing them backwards, we should find them arising in a single primal causal fact. Such unity of origin would have definite practical consequences, would have them for our scientific life at least.

I can give only these hasty superficial indications of what I mean when I say that it tends to clear up the quarrel between monism and pluralism to subject the notion of unity to such practical tests. On the other hand, it does but perpetuate strife and misunderstanding to continue talking of it in an absolute and mystical way. I have little doubt myself that this old quarrel might be completely smoothed out to the satisfaction of all claimants, if only the maxim of Peirce were methodically followed here. The current monism on the whole still keeps talking in too abstract a way. It says the world must be either pure disconnectedness, no universe at all, or absolute unity. It insists that there is no stopping-place half way. Any connection whatever, says this monism, is only possible if there be still more connection, until at last we are driven to admit the absolutely total connection required. But this absolutely total connection either means nothing, is the mere word "one" spelt long; or else it means the sum of all the partial connections that can possibly be conceived. I believe that when we thus attack the question, and set ourselves to search for these possible connections, and conceive each in a definite practical way, the dispute is already in a fair way to be settled beyond the chance of misunderstanding, by a compromise in which the Many and the One both get their lawful rights.

But I am in danger of becoming technical; so I must stop right here, and let you go.

I am happy to say that it is the English-speaking philosophers who first introduced the custom of interpreting the meaning of conceptions by asking what difference they make for life. Mr. Peirce has only expressed in the form of an explicit maxim what their sense for reality led them all instinctively to do. The great English way of investigating a conception is to ask yourself right off, "What is it *known as?* In what facts does it result? What is its *cash-value*, in terms of particular experience? and what special difference would come into the world according as it were true or false?" Thus does Locke treat the conception of personal identity. What you mean by it is just your chain of memories, says he. That is the only concretely verifiable part of its significance. All further ideas about it, such as the oneness or manyness of the spiritual substance on which it is based, are therefore void of intelligible meaning; and propositions touching such ideas may be indifferently affirmed or denied. So Berkeley with his "matter." The cash-value of matter is our physical sensations. That is what it is known as, all that we concretely verify of its conception. That therefore is the whole meaning of the word "matter"—any other pretended meaning is mere wind of words. Hume does the same thing with causation. It is known as habitual antecedence, and tendency on our part to look for something definite to come. Apart from this practical meaning it has no significance whatever, and books about it may be committed to the flames, says Hume. Steward and Brown, James Mill, John Mill, and Bain, have followed more or less consistently the same method; and Shadworth Hodgson has used it almost as explicitly as Mr. Peirce. These writers have many of them no doubt been too sweeping in their negations; Hume, in particular, and James Mill, and Bain. But when all is said and done, it was they, not Kant, who introduced "the critical method" into philosophy, the one method fitted to make philosophy a study worthy of serious men. For what seriousness can possibly remain in debating philosophic propositions that will never make an appreciable difference to us in action? And what matters it, when all propositions are practically meaningless, which of them be called true or false?

The shortcomings and the negations and baldnesses of the English philosophers in question

come, not from their eye to merely practical results, but solely from their failure to track the practical results completely enough to see how far they extend. Hume can be corrected and built out, and his beliefs enriched, by using Humian principles exclusively, and without making any use of the circuitous and ponderous artificialities of Kant. It is indeed a somewhat pathetic matter, as it seems to me, that this is not the course which the actual history of philosophy has followed. Hume had not English successors of adequate ability to complete him and correct his negations; so it happened, as a matter of fact, that the building out of critical philosophy has mainly been left to thinkers who were under the influence of Kant. Even in England and this country it is with Kantian catch-words and categories that the fuller view of life is pursued, and in our universities it is the courses in transcendentalism that kindle the enthusiasm of the more ardent students, whilst the courses in English philosophy are committed to a secondary place. I cannot think that this is exactly as it should be. And I say this not out of national jingoism, for jingoism has no place in philosophy; or out of excitement over the great Anglo-American alliance against the world, of which we nowadays hear so much—though heavens knows that to that alliance I wish a God-speed. I say it because I sincerely believe that the English spirit in philosophy is intellectually, as well as practically and morally, on the saner, sounder, and truer path. Kant's mind is the rarest and most intricate of all possible antique bric-a-brac museums, and connoisseurs and dilettanti will always wish to visit it and see the wondrous and racy contents. The temper of the dear old man about his work is perfectly delectable. And yet he is really—although I shrink with some terror from saying such a thing before some of you here present—at bottom a mere curio, a "specimen." I mean by this a perfectly definite thing: I believe that Kant bequeathes to us not one single conception which is both indispensable to philosophy and which philosophy either did not possess before him, or was not destined inevitably to acquire after him through the growth of men's reflection upon the hypothesis by which science interprets nature. The true line of philosophic progress lies, in short, it seems to me, not so much *through* Kant as *round* him to the point where now we stand. Philosophy can perfectly well outflank him, and build herself up into adequate fulness by prolonging more directly the older English lines.

May I hope, as I now conclude, and release your attention from the strain to which you have so kindly put it on my behalf, that on this wonderful Pacific Coast, of which our race is taking possession, the principle of practicalism, in which I have tried so hard to interest you, and with it the whole English tradition in philosophy, will come to its rights, and in your hands help the rest of us in our struggle towards the light.

ANDREW CARNEGIE

IN THE CAREER AND OPINIONS of Andrew Carnegie (1835–1919)—barring certain heresies on protection—William Graham Sumner might have seen his social philosophy justified in action. A boy, born poor and beginning at the bottom of the industrial ladder, takes advantage of material resources and social freedom to make a fortune for himself while he improves industrial processes and raises the standards of living of society generally. In a climate of freedom, social welfare is achieved. The beneficiary of the free enterprise system is conscious of the bases for his success; and he is so grateful for the opportunity which social freedom has given him that he devotes part of his wealth not to the futilities of eleemosynary giving but to increasing the chances for other young men to follow his example. That was how Carnegie read the lesson of the American promise.

Andrew Carnegie was an outstanding example of the opportunities and achievements of industrial capitalism. He made steel cheaply, paid his workers well, and left his fortune for social purposes. In addition to being a successful captain of industry, he was also a notably articulate one. His *Triumphant Democracy* (1886) is a paean in praise of American institutions. The republic had weathered every threatened danger as well as a destructive civil war; now it stood at a pinnacle of success; its farms, factories, and mines were outproducing those of monarchical Europe, and its culture was keeping pace with its material advance.

In lectures, addresses, and magazine articles, Carnegie continued that tribute to America through the next three decades. Any young man could win wealth if he were sufficiently able, temperate, and enterprising. Once he had won that wealth, he was obligated to use it well, however, not endowing his sons with fortunes that would ruin them, but increasing the welfare of his country. He therefore argued for the abolition of inheritance.

So far as the country itself was concerned, it would be best served by men minding their own business. In time of crisis, the United States would find leaders, as it had found them during the Civil War. In time of peace, men could concern themselves with affairs more significant than the routine of political administration, for America had settled all her real problems: she was a free republic where church had been separated from state and education was free to all. As for the doubts of the present, those were, on the whole, utterly unjustified. Consolidation in industry did not mean high prices or the narrowing of opportunity: low costs would bring low prices and corporations would seek ability and reward it with profit as in the past. The world was swinging into an era of peaceful industrial advance.

Carnegie was oversanguine, of course: there were problems that needed governmental intervention. And all industrialists—particularly in this early and fair day of America's great technical accomplishments—were not as socially conscious as he. His confidence in America is the point, however: the optimism and equalitarianism that had been there from the very beginning were going to keep America great.

The selection reprinted here is from an address delivered at Union College in January, 1895.

Wealth and Its Uses

BY ANDREW CARNEGIE

. . . Now, WHAT is wealth? How is it created and distributed? There are not far from us immense beds of coal which have lain for millions of years useless, and therefore valueless. Through some experiment, or perhaps accident, it was discovered that black stone would burn and give forth heat. Men sank shafts, erected machinery, mined and brought forth coal, and sold it to the community. It displaced the use of wood as fuel, say at one-half the cost. Immediately every bed of coal became valuable because useful, or capable of being made so; and here a new article worth hundreds, yes, thousands of millions was added to the wealth of the community. A Scotch mechanic one day, as the story goes, gazing into the fire upon which water was boiling in a kettle, saw the steam raise the lid, as hundreds of thousands had seen before him; but none saw in that sight what he did—the steam engine, which does the work of the world at a cost so infinitely trifling compared with what the plans known before involved, that the wealth of the world has been increased one dare not estimate how much. The saving that the community makes is the root of wealth in any branch of material development. Now, a young man's labour or service to the community creates wealth just in proportion as his service is useful to the community, as it either saves or improves upon existing methods. Commodore Vanderbilt saw, I think, thirteen different short railway lines between New York and Buffalo, involving thirteen different managements, and a disjointed and tedious service. Albany, Schenectady, Utica, Syracuse, Auburn, Rochester, etc., were heads of some of these companies. He consolidated them all, making one direct line, over which your Empire State Express flies fifty-one miles an hour, the fastest time in the world; and a hundred passengers patronize the lines where one did in olden days. He rendered the community a special service, which, being followed by others, reduces the cost of bringing food from the prairies of the West to your doors to a trifling sum per ton. He produced, and is every day producing, untold wealth to the community by so doing, and the profit he reaped for himself was but a drop in the bucket compared with that which he showered upon the State and the nation.

Now, in the olden days, before steam, electricity, or any other of the modern inventions which unitedly have changed the whole aspect of the world, everything was done upon a small scale.

There was no room for great ideas to operate upon a large scale, and thus to produce great wealth to the inventor, discoverer, originator, or executive. New inventions gave this opportunity, and many large fortunes were made by individuals. But in our day we are rapidly passing, if we have not already passed, this stage of development, and few large fortunes can now be made in any part of the world, except from one cause, the rise in the value of real estate. Manufacturing, transportation both upon the land and upon the sea, banking, insurance, have all passed into the hands of corporations composed of hundreds and in many cases thousands of shareholders. The New York Central Railroad is owned by more than ten thousand shareholders, the Pennsylvania Railroad is owned by more people than the vast army which it employs, and nearly one-fourth of the number are the estates of women and children. It is so with the great manufacturing companies; so with the great steamship lines; it is so, as you know, with banks, insurance companies, and indeed with all branches of business. It is a great mistake for young men to say to themselves, "Oh! we cannot enter into business." If any of you have saved as much as $50 or $100, I do not know any branch of business into which you cannot plunge at once. You can get your certificate of stock and attend the meeting of stockholders, make your speeches and suggestions, quarrel with the president, and instruct the management of the affairs of the company, and have all the rights and influence of an owner. You can buy shares in anything, from newspapers to tenement-houses; but capital is so poorly paid in these days that I advise you to exercise much circumspection before you invest. As I have said to workingmen and to ministers, college professors, artists, musicians, and physicians, and all the professional classes: Do not invest in any business concerns whatever; the risks of business are not for such as you. Buy a home for yourself first; and if you have any surplus, buy another lot or another house, or take a mortgage upon one, or upon a railway, and let it be a first mortgage, and be satisfied with moderate interest. Do you know that out of every hundred that attempt business upon their own account statistics are said to show that ninety-five sooner or later fail? I know that from my own experience. I can quote the lines of Hudibras and tell you, as far as one manufacturing branch is concerned, that what he found to be true is still true to an eminent degree to-day:

"Ay me! What perils do environ
The man that meddles with cold iron."

The shareholders of iron and steel concerns to-day can certify that this is so, whether the iron or steel be hot or cold; and such is also the case in other branches of business.

The principal complaint against our industrial conditions of to-day is that they cause great wealth to flow into the hands of the few. Well, of the very few, indeed, is this true. It was formerly so, as I have explained, immediately after the new inventions had changed the conditions of the world. To-day it is not true. Wealth is being more and more distributed among the many. The amount of the combined profits of labour and capital which goes to labour was never so great as to-day, the amount going to capital never so small. While the earnings of capital have fallen more than one-half, in many cases have been entirely obliterated, statistics prove that the earnings of labour were never so high as they were previous to the recent unprecedented depression in business, while the cost of living,—the necessaries of life,—have fallen in some cases nearly one-half. Great Britain has an income tax, and our country is to be subject to this imposition for a time. The British returns show that during the eleven years from 1876 to 1887 the number of men receiving from $750 to $2,500 per year, increased more than 21 per cent., while the number receiving from $5,000 to $25,000 actually decreased 2½ per cent.

You may be sure, gentlemen, that the question of the distribution of wealth is settling itself rapidly under present conditions, and settling itself in the right direction. The few rich are getting poorer, and the toiling masses are getting richer. Nevertheless, a few exceptional men may yet make fortunes, but these will be more moderate than in the past. This may not be quite as fortunate for the masses of the people as is now believed, because great accumulations of wealth in the hands of one enterprising man who still toils on are sometimes most productive of all the forms of wealth. Take the richest man the world ever saw, who died in New York some years ago. What was found in his case? That, with the exception of a small percentage used for daily expenses, his entire fortune and all its surplus earnings were invested in enterprises which developed the railway system of our country, which gives to the people the cheapest transportation known. Whether the millionnaire wishes it or not, he cannot evade the law which under present conditions compels him to use his millions for the good of the people. All that he gets during the few years of his life is that he may live in a finer house, surround himself with finer furniture, and works of art which may be added: he could even have a grander library,

more of the gods around him; but, as far as I have known millionnaires, the library is the least used part of what he would probably consider "furniture" in all his mansion. He can eat richer food and drink richer wines, which only hurt him. But truly the modern millionnaire is generally a man of very simple tastes and even miserly habits. He spends little upon himself, and is the toiling bee laying up the honey in the industrial hive, which all the inmates of that hive, the community in general, will certainly enjoy. . . .

The bees of a hive do not destroy the honey-making bees, but the drones. It will be a great mistake for the community to shoot the millionnaires, for they are the bees that make the most honey, and contribute most to the hive even after they have gorged themselves full. Here is a remarkable fact, that the masses of the people in any country are prosperous and comfortable just in proportion as there are millionnaires. Take Russia, with its population little better than serfs, and living at the point of starvation upon the meanest possible fare, such fare as none of our people could or would eat, and you do not find one millionnaire in Russia, always excepting the Emperor and a few nobles who own the land, owing to their political system. It is the same, to a great extent, in Germany. There are only two millionnaires known to me in the whole German Empire. In France, where the people are better off than in Germany, you cannot count one half-dozen millionnaires in the whole country. In the old home of our race, in Britain, which is the richest country in all Europe—the richest country in the world save one, our own—there are more millionnaires than in the whole of the rest of Europe, and its people are better off than in any other. You come to our own land: we have more millionnaires than in all the rest of the world put together, although we have not one to every ten that is reputed so. I have seen a list of supposed millionnaires prepared by a well-known lawyer of Brooklyn, which made me laugh, as it has made many others. I saw men rated there as millionnaires who could not pay their debts. Many should have had a cipher cut from their $1,000,000. . . .

The inventions of to-day lead to concentrating industrial and commercial affairs into huge concerns. You cannot work the Bessemer process successfully without employing thousands of men upon one spot. You could not make the armour for ships without first expending seven millions of dollars, as the Bethlehem Company has spent. You cannot make a yard of cotton goods in competition with the world without having an immense factory and thousands of men and women aiding in the process. The great electric establishment here in your town succeeds because it has spent millions, and is prepared to do its work upon a great scale. Under such conditions it is impossible but that wealth will flow into the hands of a few men in prosperous times beyond their needs. But out of fifty great fortunes which Mr. Blaine had a list made of he found only one man who was reputed to have made a large fortune in manufacturing. These are made from real estate more than from all other causes combined; next follows transportation, banking. The whole manufacturing world furnished but one millionnaire.

But assuming that surplus wealth flows into the hands of a few men, what is their duty? How is the struggle for dollars to be lifted from the sordid atmosphere surrounding business and made a noble career? Now, wealth has hitherto been distributed in three ways: The first and chief one is by willing it at death to the family. Now, beyond bequeathing to those dependent upon one the revenue needful for modest and independent living, is such a use of wealth either right or wise? I ask you to think over the result, as a rule, of millions given over to young men and women, the sons and daughters of the millionnaire. You will find that, as a rule, it is not good for the daughters; and this is seen in the character and conduct of the men who marry them. . . . Nothing is truer than this, that as a rule the "almighty dollar" bequeathed to sons or daughters by millions proves an almighty curse. It is not the good of the child which the millionnaire parent considers when he makes these bequests, it is his own vanity; it is not affection for the child, it is self-glorification for the parent which is at the root of this injurious disposition of wealth. There is only one thing to be said for this mode, it furnishes one of the most efficacious means of rapid distribution of wealth ever known.

There is a second use of wealth, less common than the first, which is not so injurious to the community, but which should bring no credit to the testator. Money is left by millionnaires to public institutions when they must relax their grasp upon it. There is no grace, and can be no blessing, in giving what cannot be withheld. It is no gift, because it is not cheerfully given, but only granted at the stern summons of death. The miscarriage of these bequests, the litigation connected with them, and the manner in which they are frittered away seem to prove that the Fates do not regard them with a kindly eye. We are never without a lesson that the only mode of producing lasting good by giving large sums of money is for

the millionnaire to give as close attention to its distribution during his life as he did to its acquisition. . . .

The third use, and the only noble use of surplus wealth, is this: That it be regarded as a sacred trust, to be administered by its possessor, into whose hands it flows, for the highest good of the people. Man does not live by bread alone, and five or ten cents a day more revenue scattered over thousands would produce little or no good. Accumulated into a great fund and expended as Mr. Cooper expended it for the Cooper Institute, it establishes something that will last for generations. It will educate the brain, the spiritual part of man. It furnishes a ladder upon which the aspiring poor may climb; and there is no use whatever, gentlemen, trying to help people who do not help themselves. You cannot push any one up a ladder unless he be willing to climb a little himself. When you stop boosting, he falls, to his injury. Therefore, I have often said, and I now repeat, that the day is coming, and already we see its dawn, in which the man who dies possessed of millions of available wealth which was free and in his hands ready to be distributed will die disgraced. Of course I do not mean that the man in business may not be stricken down with his capital in the business, which cannot be withdrawn, for capital is the tool with which he works his wonders and produces more wealth. I refer to the man who dies possessed of millions of securities which are held simply for the interest they produce, that he may add to his hoard of miserable dollars. By administering surplus wealth during life great wealth may become a blessing to the community, and the occupation of the business man accumulating wealth may be elevated so as to rank with any profession. In this way he may take rank even with the physician, one of the highest of our professions, because he too, in a sense, will be a physician, looking after and trying not to cure, but to prevent, the ills of humanity. . . .

I may justly divide young men into four classes:

First, those who must work for a living, and set before them as their aim the acquisition of a modest competence—of course, with a modest but picturesque cottage in the country and one as a companion "who maketh sunshine in a shady place" and is the good angel of his life. The motto of this class, No. 1, might be given as "Give me neither poverty nor riches." "From the anxieties of poverty as from the responsibilities of wealth, good Lord, deliver us."

Class No. 2, comprising those among you who are determined to acquire wealth, whose aim in life is to belong to that much-talked-of and grandly abused class, the millionnaires, those who start to labour for the greatest good of the greatest number, but the greatest number always number one, the motto of this class being short and to the point: "Put money in thy purse."

Now, the third class comes along. The god they worship is neither wealth nor happiness. They are inflamed with "noble ambition;" the desire of fame is the controlling element of their lives. Now, while this is not so ignoble as the desire for material wealth, it must be said that it betrays more vanity. The shrine of fame has many worshippers. The element of vanity is seen in its fiercest phase among those who come before the public. It is well known, for instance, that musicians, actors, and even painters—all the artistic class—are peculiarly prone to excessive personal vanity. This has often been wondered at; but the reason probably is that the musician and the actor, and even the painter, may be transcendent in his special line without being even highly educated, without having an all-around brain. Some peculiarities, some one element in his character, may give him prominence or fame, so that his love of art, or of use through art, is entirely drowned by a narrow, selfish, personal vanity. But we find this liability in a lesser degree all through the professions, the politician, the lawyer, and, with reverence be it spoken, sometimes the minister; less, I think, in the physician than in any of the professions. . . .

But there is a fourth class, higher than all the preceding, who worship neither at the shrine of wealth nor fame, but at the noblest of all shrines, the shrine of service—service to the race. Self-abnegation is its watchword. Members of this inner and higher circle seek not popular applause, are concerned not with being popular, but with being right. They say with Confucius: "It concerneth me not that I have not high office; what concerns me is to make myself worthy of office." It is not cast down by poverty, neither unduly elated by prosperity. The man belonging to this class simply seeks to do his duty day by day in such manner as may enable him to honour himself, fearing nothing but his own self-reproach. I have known men and women not prominently before the public, for this class courts not prominence, but who in their lives proved themselves to have reached this ideal stage. . . .

THE AMERICAN SCENE

JAMES BRYCE

UNLIKE many of the Englishmen who visited the United States during the eighties, James Bryce (1838–1922) did not content himself with a hurried railroad trip followed by an equally hurried volume of comment. Three journeys in America preceded the actual writing of the *American Commonwealth* and when the book appeared, in 1888, it was evident that the United States of the post-Reconstruction period had found a worthy interpreter.

Bryce's Scottish origin and education gave his observation a sympathetic detachment uncolored by the insularity perceptible even in Matthew Arnold. The historian's practice, for the *Holy Roman Empire* had already won Bryce a European reputation, helped him see the present in the light of the past. Bryce was a traveler and a working journalist as well; he had been a fairly successful lawyer—though he ceased to practice in 1882—and had been returned to Parliament. Thus, he had sufficient experience of the actualities of politics to be able to appreciate the living facts of the American political process.

Yet it cannot be said that Bryce carried through his original purpose: he had intended to describe the "more salient social and intellectual phenomena of contemporary America," but the greater part of his three large volumes is concerned with elucidating American political institutions. He is, therefore, most at home when describing the American legislature, the standardized look of the American town, or the glories of the legal institutions which the United States has inherited from England. After depicting the organization and activities of the Federal government, Bryce turns to the states.

It is the states that come closest to the daily life of Americans and it is their activities that best show American politics in process. The Federal Constitution is of a "laudable brevity," Bryce notes, but the state constitutions do not follow that example; they have not relied on the courts to protect the popular will, but have limited their legislatures by constitutions which grow longer and more detailed at each revision. That tendency to make minute codes of state constitutions illustrates the essentially conservative nature of American democracy, which assumes that "every new measure is *prima facie* likely to do more harm than good" and, consequently, restrains its legislatures not merely by constitutional check but by executive veto and judicial review.

The multiplicity of governments, local, state and federal, requires a correspondingly elaborate political organization to operate them and that, in turn, necessitates strong political parties. In contrast to European experience, no American political contest has ever turned on questions of religion, race, land tenure or form of government, much less upon the threatening battle of poor men against rich. Centralism versus federalism; the love of order struggling with the love of liberty, these have been the two sources of American party conflicts. By the middle eighties, those conflicts had abated; hence, present party battles were for control of the patronage.

The lack of real difference of principle had not lessened popular interest in public affairs; it had merely professionalized the practice of politics and driven "quiet and fastidious" men from the arena in which bosses turned party conventions into gatherings of puppets and cities became bywords for inefficiency and corruption. Even quiet and fastidious men had

a boiling point, however, and Bryce describes the "better element" in its struggle against the Boss; a futile struggle for the most part since lapse from party regularity is still considered socially reprehensible, and "well-conducted men of small means" remain singularly apathetic. To balance that indifference and the consequent failure of municipal government to perform its proper functions, Bryce reminds his readers that only one seventh of the people of the United States live in cities and that smaller communities are less affected by the prevalent corruption than by their own unwillingness to spend money on necessary public services.

From the practice of party government, Bryce proceeds to consider the social attitudes which make that practice possible. Americans are so bludgeoned by their press that they discount charges of misgovernment. And they are so conditioned to optimism that they believe leaders will come forth when their country needs them. Since political intelligence is well diffused in the United States, its people look to each other rather than to leaders for guidance. Americans have small respect for the expert in any but the material field and as no organ of the American government is specifically charged with seeking out remedies, problems are ignored for decades while orators pour their floods of words on issues that have been settled long since.

As Bryce turns his eyes westward, he notices a social conscience developing along with the West's absorbing concern with material progress. The new states are impatient of the slow working of natural law and show a readiness to legislate on the liquor and labor questions. The West is granting women a greater measure of political rights, too, and engaging in experimental projects.

Bryce finds fault with America for failings charged before and since. These are a lack of independence in thought and a lack of individuality in aspect. The demands of party force men into molds and the pattern of civilization forces towns all over the country into the same rectangles filled by the same ice-cream parlors, undertakers, saloons, and Chinese laundries. There is little respect for privacy. But these are the characteristics of an optimistic people who believe in themselves and in their future.

Bryce liked America. If her men were so absorbed in business that the function of maintaining the level of culture has devolved on her women, that culture is "safe in their hands." If, with every natural and historic advantage in its favor, the United States has produced no golden age, if she is too hurried for philosophy or art, if her upper classes are too apathetic to raise the low tone of public life, America nevertheless is still rich enough in human and material resources to afford errors. The United States means what she says by her devotion to equality of opportunity, and all thinking is informed by the conviction that she will have a great intellectual flowering once her material work is done. And, in the meantime, the United States marks the highest level of material wellbeing, intelligence, and happiness "which the race has yet attained."

The selections here reprinted are from *The American Commonwealth*, Vol. III (original New York and London edition, 1888).

The American Commonwealth

BY JAMES BRYCE

CHAPTER XCII: LAISSEZ FAIRE

AN ENGLISH FRIEND of a philosophic turn of mind bade me, when he heard that I was writing this book, dedicate at least one chapter to the American theory of the State. When I answered that the Americans had no theory of the State, and felt no need for one, being content, like the English, to base their constitutional ideas upon law and history, he rejoined that people in America must

at least have some general views about the functions of government and its relations to the individual. "We are told," he continued, "that the whole American polity is more coherent, more self-consistent than that of England; it must therefore have what the Germans call 'ground-ideas.'" . . .

The term "ground-ideas" does not happily describe the doctrines that prevail in the United States, for the people are not prone to form or state their notions in a philosophic way. There are, however, certain dogmas or maxims which are in so far fundamental that they have told widely on political thought, and that one usually strikes upon them when sinking a shaft, so to speak, into an American mind. Among such dogmas are the following:—

Certain rights of the individual, as, for instance, his right to the enjoyment of what he has earned, to the free expression of opinion, are primordial and sacred.

All political power springs from the people, and the most completely popular government is best.

Legislatures, officials, and all other agents of the sovereign people ought to be strictly limited by law, by each other, and by the shortness of the terms of office.

Where any function can be equally well discharged by a central or by a local body, it ought by preference to be entrusted to the local body, for a centralized administration is more likely to be tyrannical, inefficient, and impure than one which, being on a small scale, is more fully within the knowledge of the citizens and more sensitive to their opinion.

Two men are wiser than one, one hundred than ninety-nine, thirty millions than twenty-nine millions. Whether they are wiser or not, the will of the larger number must prevail against the will of the smaller. But the majority is not wiser because it is called the Nation, or because it controls the government, but only because it is more numerous. The nation is nothing but so many individuals. The government is nothing but certain representatives and officials, agents who are here to-day and gone to-morow.

The less of government the better; that is to say, the fewer occasions for interfering with individual citizens are allowed to officials, and the less time citizens have to spend in looking after their officials, so much the more will the citizens and the community prosper. The functions of government must be kept at their minimum.

The first five of these dogmas have been discussed and illustrated in earlier chapters. The last of them needs a little examination, because it suggests points of comparison with the Old World, and because the meaning of it lies in the application. It is all very well to say that the functions of government should be kept at a minimum; but the bureaucrats of Russia might say the same. What is this minimum? Every nation, every government, every philosopher has his own view as to the functions which it must be taken to include.

The doctrine of *laissez faire*, or non-interference by government with the citizen, has two foundations, which may be called the sentimental and the rational. The sentimental ground is the desire of the individual to be let alone, to do as he pleases, indulge his impulses, follow out his projects. The rational ground is the principle, gathered from an observation of the phenomena of society, that interference by government more often does harm than good—that is to say, that the desires and impulses of men when left to themselves are more likely by their natural collision and co-operation to work out a happy result for the community and the individuals that compose it than will be attained by the conscious endeavours of the state controlling and directing those desires and impulses. There are laws of nature governing mankind as well as the material world; and man will thrive better under these laws than under those which he makes for himself through the organization we call government.

Of these two views, the former or sentimental has been extremely strong in America, being rooted in the character and habits of the race, and seeming to issue from that assertion of individual liberty which is proclaimed in such revered documents as the Declaration of Independence and the older State constitutions. The latter view, incessantly canvassed in Europe, has played no great part in the United States; or rather it has appeared in the form not of a philosophic induction from experience, but of a common-sense notion that everybody knows his own business best, that individual enterprise has "made America," and will "run America," better than the best government could do.

The State governments of 1776 and the National government of 1789 started from habits and ideas similar to those of contemporary England. Now England in the eighteenth century was that one among European countries in which government had the narrowest sphere. The primitive paternal legislation of the later middle ages had been abandoned. The central government had not begun to stretch out its arms to interfere with quarter sessions in the counties, or municipal corporations

in the towns, to care for the health, or education, or morals of the people. That strengthening and reorganization of administration which was in progress in many parts of the continent, as in Prussia under Frederick the Great, and in Portugal under Pombal, had not spread to England, and would have been resisted there by men of conservative tendencies for one set of reasons, and men of liberal tendencies for another. Everything tended to make the United States in this respect more English than England, for the circumstances of colonial life, the process of settling the western wilderness, the feelings evoked by the struggle against George III., all went to intensify individualism, the love of enterprise, the pride in personal freedom. And from that day to this, individualism, the love of enterprise, and the pride in personal freedom, have been deemed by Americans not only their choicest, but their peculiar and exclusive possessions.

The hundred years which have passed since the birth of the Republic have, however, brought many changes with them. Individualism is no longer threatened by arbitrary kings, and the ramparts erected to protect it from their attacks are useless and grass-grown. If any assaults are to be feared they will come from another quarter. New causes are at work in the world tending not only to lengthen the arms of government, but to make its touch quicker and firmer. Do these causes operate in America as well as in Europe? and if so, does America, in virtue of her stronger historical attachment to individualism, oppose a more effective resistance to them?

I will mention a few among them. Modern civilization, in becoming more complex and refined, has become more exacting. It discerns more benefits which the organized power of government can secure, and grows more anxious to attain them. Men live fast, and are impatient of the slow working of natural laws. The triumphs of physical science have enlarged their desires for comfort, and shown them how many things may be accomplished by the application of collective skill and large funds which are beyond the reach of individual effort. Still greater has been the influence of a quickened moral sensitiveness and philanthropic sympathy. The sight of preventible evil is painful, and is felt as a reproach. He who preaches patience and reliance upon natural progress is thought callous. The sense of sin may, as theologians tell us, be declining; but the dislike to degrading and brutalizing vice is increasing: there is a warmer recognition of the responsibility of each man for his neighbour, and a more earnest zeal in works of moral reform. Some doctrines which, because they had satisfied philosophers, were in the last generation accepted by the bulk of educated men, have now become, if not discredited by experience, yet far from popular. They are thought to be less universally true, less completely beneficial, than was at first supposed. There are benefits which the laws of demand and supply do not procure. Unlimited competition seems to press too hardly on the weak. The power of groups of men organized by incorporation as joint-stock companies, or of small knots of rich men acting in combination, has developed with unexpected strength in unexpected ways, overshadowing individuals and even communities, and showing that the very freedom of association which men sought to secure by law when they were threatened by the violence of potentates may, under the shelter of the law, ripen into a new form of tyranny. And in some countries, of which England may be taken as the type, the transference of political power from the few to the many has made the many less jealous of governmental authority. The government is now their creature, their instrument—why should they fear to use it? They may strip it to-morrow of the power with which they have clothed it to-day. They may rest confident that its power will not be used contrary to the wishes of the majority among themselves. And as it is in this majority that authority has now been vested, they readily assume that the majority will be right.

How potent these influences and arguments have proved in the old countries of Europe, how much support they receive not only from popular sentiment, but from the writings of a vigorous school of philosophical economists all the world knows. But what of newer communities, where the evils to be combated by state action are fewer, where the spirit of liberty and the sentiment of individualism are more intense? An eminent English statesman expresses the general belief of Englishmen when he says—

"How is it that while the increasing democracy at home is insisting, with such growing eagerness, on more control by the state, we see so small a corresponding development of the same principle in the United States or in Anglo-Saxon colonies? It is clearly not simply the democratic spirit which demands so much central regulation. Otherwise we should find the same conditions in the Anglo-Saxon democracies across the seas." [1]

[1] Mr. Goschen, in an instructive address delivered at Edinburgh in 1883, on *laissez faire* and government interference.

This belief of Englishmen is also the general belief of Americans. I suppose that nine men out of ten would tell a stranger that both the Federal government and the State governments interfered little, and would ascribe the prosperity of the country to this non-interference as well as to the self-reliant spirit of the people. So far as there can be said to be any theory on the subject in a land which gets on without theories, *laissez aller* is the orthodox and accepted doctrine in the sphere both of Federal and of State legislation.

Nevertheless the belief is groundless. The new democracies of America are just as eager for state interference as the democracy of England, and try their experiments with even more light-hearted promptitude. No one need be surprised at this when he reflects that the causes which have been mentioned as telling on Europe, tell on the United States with no less force. Men are even more eager than in Europe to hasten on to the ends they desire, even more impatient of the delays which a reliance on natural forces involves, even more sensitive to the wretchedness of their fellows, and to the mischiefs which vice and ignorance breed. Unrestricted competition has shown its dark side: great corporations have been more powerful than in England, and more inclined to abuse their power. Having lived longer under a democratic government, the American masses have realized more perfectly than those of Europe that they are themselves the government. Their absolute command of its organization (except where constitutional checks are interposed) makes them turn more quickly to it for the accomplishment of their purposes. And in the State legislatures they possess bodies with which it is easy to try legislative experiments, since these bodies, though not of themselves disposed to innovation, are mainly composed of men unskilled in economics, inapt to foresee any but the nearest consequences of their measures, prone to gratify any whim of their constituents, and open to the pressure of any section whose self-interest or impatient philanthropy clamours for some departure from the general principles of legislation. For crotchet-mongers as well as for intriguers there is no such paradise as the lobby of a State legislature. No responsible statesman is there to oppose them, no warning voice will be raised by a scientific economist.

Thus it has come to pass that, though the Americans conceive themselves to be devoted to *laissez faire* in theory, and to be in practice the most self-reliant of peoples, they have grown no less accustomed than the English to carry the action of the State into everwidening fields. Economic theory did not stop them, for practical men are proud of getting on without theory. The sentiment of individualism did not stop them, because State intervention has usually taken the form of helping or protecting the greater number, while restraining the few; and personal freedom of action, the love of which is strong enough to repel the paternalism of France or Germany, has been infringed upon only at the bidding of a strong moral sentiment, such as that which condemns intemperance. So gradual has been the process of transition to this new habit that few but lawyers and economists have yet become aware of it, and the lamentations with which old-fashioned English thinkers accompany the march of legislation are in America scarcely heard and wholly unheeded.

As the field of ordinary private law and administration belongs to the States, it is chiefly in State legislation that we must look for instances of governmental intervention. They are so numerous and various that it is hard to select the most salient. . . . It is in the West, which plumes itself on being pre-eminently the land of freedom, enterprise, and self-help, that this tendency is most active, and plays the strangest pranks, because, in the West, legislators are more impatient and self-confident than elsewhere.

The forms which legislative intervention takes may be roughly classified under the following heads:—

Prohibitions to individuals to do acts which are not, in the ordinary sense of the word, criminal (*e.g.* to sell intoxicating liquors, to employ a labourer for more than so many hours in a day).

Directions to individuals to do things which it is not obviously wrong to omit (*e.g.* to provide seats for shop-women, to publish the accounts of a railway company).

Interferences with the ordinary course of law in order to protect individuals from the consequences of their own acts (*e.g.* the annulment of contracts between employer and workmen making the former not liable for accidental injuries to the latter, the exemption of homesteads, or of a certain amount of personal property, from the claims of creditors, the prohibition of more than a certain rate of interest on money).

Directions to a public authority to undertake work which might be left to individual action and the operation of supply and demand (*e.g.* the providing of schools and dispensaries, the establishment of State analysts, State oil inspectors, the collection and diffusion, at the public expense, of statistics).

In every one of these kinds of legislative interference the Americans, or at least the Western States, seem to have gone farther than the English

Parliament. The restrictions on the liquor traffic have been more sweeping; those upon the labour of women and children, and of persons employed by the State, not less so. Moral duties are more frequently enforced by legal penalties than in England. Railroads, insurance and banking companies, and other corporations are, in most States, strictly regulated. Efforts to protect individuals coming under the third head are so frequent and indulgent that their policy is beginning to be seriously questioned. Gratuitous elementary and secondary education is provided all over the Union, and in the West there are also gratuitous State universities open to women as well as to men. And although the State has not gone so far in superseding individual action as to create for itself monopolies, it is apt to spend money on some objects not equally cared for by European governments. It tries to prevent adulteration by putting its stamp on agricultural fertilizers, and prohibiting the sale of oleomargarine; it establishes dairy commissions and bureaux of animal industry, it distributes seed to farmers, subsidizes agricultural fairs, sends round lecturers on agriculture, and encourages by bounties the culture of beetroot, tree-planting, and the killing of noxious animals. The farmer of Kansas or Iowa is as much the object of the paternal solicitude of his legislature as the farmer of any European country. And in the pursuit of its schemes for blessing the community the State raises a taxation which would be complained of in a less prosperous country.

What has been the result of this legislation? Have the effects which the economists of the physiocratic or *laissez aller* school taught us to expect actually followed? Has the natural course of commerce and industry been disturbed, has the self-helpfulness of the citizen been weakened, has government done its work ill and a new door to jobbery been opened? It is still too soon to form conclusions on these points. Some few of the experiments have failed, others seem to be succeeding; but the policy of State interference as a whole has not yet been adequately tested. In making this new departure American legislatures are serving the world, if not their own citizens, for they are providing it with a store of valuable data for its instruction, data which deserve more attention than they have hitherto received, and whose value will increase as time goes on.

It is the privilege of these unconscious philosophers to try experiments with less risk than countries like France or England would have to run, for the bodies on which the experiments are tried are so relatively small and exceptionally vigorous that failures need not inflict permanent injury. No people is shrewder than the American in perceiving when a law works ill, nor prompter in repealing it. . . .

Chapter CXII: The Pleasantness of American Life

I have never met a European of the upper or middle classes who did not express astonishment when told that America was a more agreeable place than Europe to live in. "For working men," he would answer, "yes; but for men of education or property, how can a new rough country, where nothing but business is talked and the refinements of life are only just beginning to appear, how can such a country be compared with England, or France, or Italy?"

It is nevertheless true that there are elements in the life of the United States which may well make a European of any class prefer to dwell there rather than in the land of his birth. Let us see what they are.

In the first place there is the general prosperity and material well-being of the mass of the inhabitants. In Europe, if an observer takes his eye off his own class and considers the whole population of any one of the greater countries (for I except Switzerland and parts of Scandinavia and Portugal), he will perceive that by far the greater number lead very laborious lives, and are, if not actually in want of the necessaries of existence, yet liable to fall into want, the agriculturists when nature is harsh, the wage-earners when work is scarce. In England the lot of the labourer has been hitherto a hard one, incessant field toil, with rheumatism at fifty and the workhouse at the end of the vista; while the misery massed in such cities as London, Liverpool, and Glasgow is only too well known. In France there is less pauperism, but nothing can be more pinched and sordid than the life of the bulk of the peasantry. In the great towns of Germany there is constant distress and increasing discontent. . . . Contrast any one of these countries with the United States, where the working classes are as well fed, clothed, and lodged as the lower middle-class in Europe, and the farmers who till their own land (as nearly all do) much better, where a good education is within the reach of the poorest, where the opportunities for getting on in one way or another are so abundant that no one need fear any physical ill but disease or the results of his own intemperance. Pauperism already exists and increases in some of the larger cities, where drink breeds misery, and where recent immigrants, with the shiftlessness of Europe still clinging round them, are huddled together in squalor. But outside these few cities

one sees nothing but comfort. In Connecticut and Massachusetts the operatives in many a manufacturing town lead a life far easier, far more brightened by intellectual culture and by amusements, than that of the clerks and shopkeepers of England or France. In cities like Cleveland or Chicago one finds miles on miles of suburb filled with neat wooden houses, each with its tiny garden plot, owned by the shop assistants and handicraftsmen who return on the horse cars in the evening from their work. All over the wide West, from Lake Ontario to the Upper Missouri, one travels past farms of two to three hundred acres, in every one of which there is a spacious farmhouse among orchards and meadows, where the farmer's children grow up strong and hearty on abundant food, the boys full of intelligence and enterprise, ready to push their way on farms of their own or enter business in the nearest town, the girls familiar with the current literature of England as well as of America. The life of the new emigrant in the further West has its privations in the first years, but it is brightened by hope, and has a singular charm of freedom and simplicity. The impression which this comfort and plenty makes is heightened by the brilliance and keenness of the air, by the look of freshness and cleanness which even the cities wear, all of them except the poorest parts of those few I have referred to above. The fog and soot-flakes of an English town, as well as its squalor, are wanting; you are in a new world, and a world which knows the sun. It is impossible not to feel warmed, cheered, invigorated by the sense of such material well-being all around one, impossible not to be infected by the buoyancy and hopefulness of the people. The wretchedness of Europe lies far behind; the weight of its problems seems lifted from the mind. . . .

The second charm of American life is one which some Europeans will smile at. It is social equality. To many Europeans—to Germans, let us say, or Englishmen—the word has an odious sound. It suggests a dirty fellow in a blouse elbowing his betters in a crowd, or an ill-conditioned villager shaking his fist at the parson and the squire; or, at any rate, it suggests obtrusiveness and bad manners. The exact contrary is the truth. Equality improves manners, for it strengthens the basis of all good manners, respect for other men and women simply as men and women, irrespective of their station in life. Probably the assertion of social equality was one of the causes which injured American manners forty years ago, for that they were then bad among townsfolk can hardly be doubted in face of the testimony, not merely of sharp tongues like Mrs. Trollope's, but of calm observers like Sir Charles Lyell and sympathetic observers like Richard Cobden. In those days there was an obtrusive self-assertiveness among the less refined classes, especially towards those who, coming from the Old World, were assumed to come in a patronizing spirit. Now, however, social equality has grown so naturally out of the circumstances of the country, has been so long established, and is so ungrudgingly admitted, that all excuse for obtrusiveness has disappeared. People meet on a simple and natural footing, with more frankness and ease than is possible in countries where every one is either looking up or looking down. There is no servility on the part of the humbler, and if now and then a little of the "I am as good as you" rudeness be perceptible, it is almost sure to proceed from a recent immigrant, to whom the attitude of simple equality has not yet become familiar as the evidently proper attitude of one man to another. There is no condescension on the part of the more highly placed, nor is there even that sort of scrupulously polite coldness which one might think they would adopt in order to protect their dignity. They have no cause to fear for their dignity, so long as they do not themselves forget it. And the fact that your shoemaker or your factory hand addresses you as an equal does not prevent him from respecting, and showing his respect for, all such superiority as your birth or education or eminence in any line of life may entitle you to receive. . . .

There are, moreover, other rancours besides those of social inequality whose absence from America brightens it to a European eye. There are no quarrels of churches and sects. Judah does not vex Ephraim, nor Ephraim envy Judah. No Established Church looks down scornfully upon Dissenters from the height of its titles and endowments, and talks of them as hindrances in the way of its work. No Dissenters pursue an Established Church in a spirit of watchful jealousy, nor agitate for its overthrow. One is not offended by the contrast between the theory and the practice of a religion of peace, between professions of universal affection in pulpit addresses and forms of prayer, and the acrimony of clerical controversialists. Still less, of course, is there that sharp opposition and antagonism of Christians and anti-Christians which lacerates the private as well as public life of France. Rivalry between sects appears only in the innocent form of the planting of new churches and raising of funds for missionary objects, while most of the Protestant denominations, including the four most numerous, constantly fraternize in charitable work. Between Roman Catholics and Protestants there is little hostility, and sometimes

co-operation for a philanthropic purpose. The sceptic is no longer under a social ban, and discussions on the essentials of Christianity and of theism are conducted with good temper. There is not a country in the world where Frederick the Great's principle, that every one should be allowed to go to heaven his own way, is so fully applied. This sense of religious peace as well as religious freedom all around one is soothing to the weary European, and contributes not a little to sweeten the lives of ordinary people.

I come last to the character and ways of the Americans themselves, in which there is a certain charm, hard to convey by description, but felt almost as soon as one sets foot on their shore, and felt constantly thereafter. They are a kindly people. Good nature, heartiness, a readiness to render small services to one another, an assumption that neighbours in the country, or persons thrown together in travel, or even in a crowd, were meant to be friendly rather than hostile to one another, seem to be everywhere in the air, and in those who breathe it. Sociability is the rule, isolation and moroseness the rare exception. . . . To help others is better recognized as a duty than in Europe. Nowhere is money so readily given for any public purpose; nowhere, I suspect, are there so many acts of private kindness done, such, for instance, as paying the college expenses of a promising boy, or aiding a widow to carry on her husband's farm; and these are not done with ostentation. People seem to take their own troubles more lightly than they do in Europe, and to be more indulgent to the faults by which troubles are caused. It is a land of hope, and a land of hope is a land of good humour. And they have also, though this is a quality more perceptible in women than in men, a remarkable faculty for enjoyment, a power of drawing more happiness from obvious pleasures, simple and innocent pleasures, than one often finds in overburdened Europe. . . .

AMERICAN PROBLEMS

DISCONTENTED AMERICA

WILLIAM A. PEFFER

IN EASTERN EYES, the Populist was a man who found self-expression in financial heresy and a long beard. William Alfred Peffer (1831–1912) fitted the stereotype completely and his white whiskers gave the unfriendly cartoonists of the day exactly the opportunity they had been seeking.

Peffer, who was born in Pennsylvania of Dutch ancestry, left for California to seek his fortune, failed, and returned home to move west once more. His migrations were halted in Illinois when he enlisted in 1862. Army service did not hinder Peffer's studies, however, and he was admitted to the bar almost on being mustered out. A few years later he moved to Kansas, settled into an editor's chair, and took a journalist's share in politics. By 1881, Peffer's *Kansas Farmer* was an influential rural paper. When the decade ended, he was urging his readers to join the Farmers' Alliance and demonstrate their political independence. His election to the Senate in 1890 proved the strength of the uprising.

In *The Farmer's Side* (1891), Peffer sought to explain his section to the rest of the country. The farmer is losing ground in comparison with the other elements in the nation; his prices and profits are declining while his debt burden is rising. Before the Civil War, men farmed on a small scale and raised almost all their needs; machinery has increased the farmer's productive power, but it has also subjected him to a new discipline, the rule of a distant and uncontrollable market.

Unlike other agrarian spokesmen, Peffer does not mourn for the days that are dead: the farmer must live in the new world. Combination alone will enable him to cope with his problems. Among those, none is more pressing than the burden of debt. While the government pays 4 percent for money, the people are paying from 6 to 12 percent, especially on mortgage loans which are negotiated by middlemen. For years, financial legislation has been designed to contract the currency, thus reducing prices for the benefit of creditors. Yet neither an increase in paper currency nor free coinage of silver can counteract that price decline unless interest rates are reduced, Peffer argues.

The money power must be neutralized, therefore, and this is a task which can be accomplished only by political action. No relief is to be expected from hidebound old-party leadership, however; the people must act for themselves. They must build a competing transcontinental railroad, to be free of debt and to be financed by an issue of greenbacks instead of watered stocks and bonds. The people, through their government, must resume control of their money. Since Congress is authorized to regulate commerce and since money is an essential instrument of trade, Congress has constitutional power to take effective action. The Federal government can lend to the people directly as well as through the National Banks. Congress should establish a loan bureau to provide credit at 1 percent per annum, with 9 percent of the principal of such loans being repaid each year. That measure would end excessive interest charges and the weight of perpetual debt. In addition, money should be lent on nonperishable commodities stored in warehouses known as "sub-treasuries."

The selection here reprinted is from *The Farmer's Side* (New York, 1891).

The Farmer's Side

BY WILLIAM A. PEFFER

PART II: HOW WE GOT HERE, CHAPTER I: CHANGED CONDITION OF THE FARMER

THE AMERICAN FARMER of to-day is altogether a different sort of a man from his ancestor of fifty or a hundred years ago. A great many men and women now living remember when farmers were largely manufacturers; that is to say, they made a great many implements for their own use. Every farmer had an assortment of tools with which he made wooden implements, as forks and rakes, handles for his hoes and plows, spokes for his wagon, and various other implements made wholly out of wood. Then the farmer produced flax and hemp and wool and cotton. These fibers were prepared upon the farm; they were spun into yarn, woven into cloth, made into garments, and worn at home. Every farm had upon it a little shop for wood and iron work, and in the dwelling were cards and looms; carpets were woven, bed-clothing of different sorts was prepared; upon every farm geese were kept, their feathers used for supplying the home demand with beds and pillows, the surplus being disposed of at the nearest market town. During the winter season wheat and flour and corn meal were carried in large wagons drawn by teams of six to eight horses a hundred or two hundred miles to market, and traded for farm supplies for the next year—groceries and dry goods. Besides this, mechanics were scattered among the farmers. . . . All these things were done among the farmers, and a large part of the expense was paid with products of the farm. . . .

One of the results of that sort of economy was that comparatively a very small amount of money was required to conduct the business of farming. A hundred dollars average probably was as much as the largest farmers of that day needed in the way of cash to meet the demands of their farm work, paying for hired help, repairs of tools, and all other incidental expenses, because so much was paid for in produce.

Coming from that time to the present, we find that everything nearly has been changed. All over the West particularly the farmer thrashes his wheat all at one time, he disposes of it all at one time, and in a great many instances the straw is wasted. He sells his hogs, and buys bacon and pork; he sells his cattle, and buys fresh beef and canned beef or corned beef, as the case may be; he sells his fruit, and buys it back in cans. If he raises flax at all, instead of putting it into yarn and making gowns for his children, as he did fifty years or more ago, he thrashes his flax, sells the seed, and burns the straw. Not more than one farmer in fifty now keeps sheep at all; he relies upon the large sheep farmer for the wool, which is put into cloth or clothing ready for his use. Instead of having clothing made up on the farm in his own house or by a neighbor woman or country tailor a mile away, he either purchases his clothing ready made at the nearest town, or he buys the cloth and has a city tailor make it up for him. . . .

Besides all this, and what seems stranger than anything else, whereas in the earlier time the American home was a free home, unencumbered, not one case in a thousand where a home was mortgaged to secure the payment of borrowed money, and whereas but a small amount of money was then needed for actual use in conducting the business of farming, there was always enough of it among the farmers to supply the demand, now, when at least ten times as much is needed, there is little or none to be obtained, nearly half the farms are mortgaged for as much as they are worth, and interest rates are exorbitant.

As to the cause of such wonderful changes in the condition of farmers, nothing more need be said in this place than that the railroad builder, the banker, the money changer, and the manufacturer undermined the farmer. The matter will be further discussed as we proceed. The manufacturer came with his woolen mill, his carding mill, his broom factory, his rope factory, his wooden-ware factory, his cotton factory, his pork-packing establishment, his canning factory and fruit-preserving houses; the little shop on the farm has given place to the large shop in town; the wagon-maker's shop in the neighborhood has given way to the large establishment in the city where men by the thousand work and where a hundred or two hundred wagons are made in a week; the shoemaker's shop has given way to large establishments in the cities where most of the work is done by machines; the old smoke house has given way to the packing house, and the fruit cellars have been displaced by preserving factories. The farmer now is compelled to go to town for nearly everything that he wants; even a hand rake to clean up the door-yard must be purchased at the city store. And what is worse than all, if he needs a little more money than he has about him, he is compelled to go to town to

borrow it; but he does not find the money there: in place of it he finds an agent who will "negotiate" a loan for him. The money is in the East, a thousand or three thousand or five thousand miles away. He pays the agent his commission, pays all the expenses of looking through the records and furnishing abstracts, pays for every postage stamp used in the transaction, and finally receives a draft for the amount of money required, minus these expenses. In this way the farmers of the country to-day are maintaining an army of middlemen, loan agents, bankers, and others, who are absolutely worthless for all good purposes in the community, whose services ought to be, and very easily could be, dispensed with, but who, by reason of the changed condition of things, have placed themselves between the farmer and the money owner, and in this way absorb a livelihood out of the substance of the people.

CHAPTER IV: SETTLEMENT OF THE NEW WEST

. . . In the course of a few years after the war an area in the western part of our country larger than the original thirteen States was settled and large portions of it brought under cultivation. Farms were opened, towns were built, churches and school-houses dotted the plains and hills, and a post-office was established within easy reach of every man's door. But in doing this it became necessary to make extended investments, both of credit and of money. The settlers were generally poor; they were offered the railroad lands at an average of about $3 an acre upon the payment of a small portion cash—10 per cent or thereabouts—the rest in ten annual payments with interest at 7 to 10 per cent, giving a mortgage to the company as security for deferred payments. In connection with this sort of railroad extension and settlement, feeding roads were projected in all directions, and the people who settled upon the lands to be supplied with the new roads were asked to assist in the projects by voting municipal bonds. This resulted in a large bonded indebtedness of the townships, counties, and cities all through the West. The price which the railroad companies fixed upon the lands had the effect in law and in fact to raise the price of the reserved Government sections to two dollars and a half an acre. The homestead law did not apply anywhere within the limits of a railroad grant. Upon the public lands outside of the railroad limits any person authorized to make a homestead entry was entitled to locate, and for a few dollars (to pay fees and necessary expenses) he could obtain a quarter section of land and make a home upon it; but it required money to buy the lands within the railroad limits either from the company or from the Government, and a good deal of money for a poor man. The only way to obtain the money was to borrow it, and as a part of this scheme of settlement a vast system of money lending had been established, with agents in every town along the lines of the new roads engaged in the business of negotiating loans, advertising their work far and wide, so that the purchasers of lands from either the railroad company or from the Government within the limits of the grants need only apply to these money lenders, and for a commission to the "middle man" could obtain money from Eastern owners in any conceivable amount. It was not long until the whole country in the region of these new roads was mortgaged. While the lands were fertile they did not produce any more than other lands of equal fertility, and they were so far away from the markets of the country that transportation ate up from 60 to 75 per cent of the value of the crops. . . . In a large majority of cases it became necessary to borrow more money in order to meet maturing obligations. Rates of interest were exorbitant, rates of transportation on the railroads were unreasonably high, taxes were excessive, salaries of officers were established by law and were uniformly high, while there was but little property and comparatively few tax payers at that early period in the settlement, so that the burdens of taxation fell heavily upon the few who were ready to be caught by the tax gatherer.

In connection with these proceedings it is proper to mention a fact which will be more fully elaborated further on, that while the burdens just mentioned were increasing other forces were operating to add to the difficulties in the farmers' way. The people were rapidly taking upon themselves new obligations, while, by reason of the contraction of currency, prices of farm products fell to a very low figure—in many cases below the cost line—and in a proportionate degree taxes and debts of all kinds increased relatively. While one hundred dollars were the same on paper in 1889 that they were in 1869, yet by reason of the fall in values of products out of which debts were to be paid the dollars grew just that much larger. It required twice as many bushels of wheat or of corn or of oats, twice as many pounds of cotton or tobacco or wool to pay a debt in 1887 as it did to pay a debt of the same amount in 1867. While dollars remained the same in name, they increased 100 per cent in value when compared with the property of the farmer out of which debts were to be paid; and while a bushel of wheat or of oats or of corn was the same in weight and in measure in 1887 that it was in 1867,

yet it required twice as many bushels to pay the same amount of debt. The same principle holds good in all of the different obligations for which the farmers were liable, and is applicable to the only property with which they were supplied to pay their indebtedness. It became necessary under those conditions to renew loans, pay additional commissions, contract new obligations, until today we find that fully one third of the farms of the country, especially of the western part of the country, are under mortgage. In some counties from three fourths to seven eighths of the homes of the farmers are mortgaged for more than they would sell for under the hammer.

It is said frequently that the farmer himself is to blame for all of these misfortunes. If that were true it would afford no relief, but it is not true. The farmer has been the victim of a gigantic scheme of spoliation. Never before was such a vast aggregation of brains and money brought to bear to force men into labor for the benefit of a few. The railroad companies, after obtaining grants of land with which to build their roads, not only sold the lands to settlers and took mortgages for deferred payments, but, after beginning the work of building their roads, they issued bonds and put them upon the market, doubled their capital upon paper, compelling the people who patronized the roads to pay in enhanced cost of transportation all these additional burdens. The roads were built without any considerable amount of money upon the part of the original stockholders, and where any money had been invested in the first place, shrewd managers soon obtained control of the business and the property. So large a proportion of the public lands was taken up by these grants to corporations that there was practically very little land left for the homestead settler. It appears from an examination of the records that from the time our first land laws went into operation until the present time the amount of money received from sales of public lands does not exceed the amount of money received from customs duties on foreign goods imported into this country during the last year, while the lands granted to railroad companies directly, and to States for the purpose of building railroads indirectly, if sold at the Government price of $1.25 an acre, would be equal to three times as much as was received from sales of the public lands directly to actual settlers. The farmer was virtually compelled to do just what he has done. The railroad builder took the initiative. Close by his side was the money changer. The first took possession of the land, the other took possession of the farmer. One compelled the settler to pay the price fixed upon the railroad lands by the railroad company; the other compelled the settler on the public lands within the grant to pay the increased price, and to borrow money through him to make the payments on both. This system continued until the farmer, accommodating himself to prevailing conditions, was in the hands of his destroyers. Now we find the railroad companies capitalized for from five to eight times their assessed value, the farmer's home is mortgaged, the city lot is mortgaged, the city itself is mortgaged, the county is mortgaged, the township is mortgaged, and all to satisfy this over-reaching, soulless, merciless, conscienceless grasping of avarice. In the beginning of our history nearly all the people were farmers, and they made our laws; but as the national wealth increased they gradually dropped out and became hewers of wood and drawers of water to those that own or control large aggregations of wealth. They toiled while others took the increase; they sowed, but others reaped the harvest. It is avarice that despoiled the farmer. Usury absorbed his substance. He sweat gold, and the money changers coined it. And now, when misfortunes gather about and calamity overtakes him, he appeals to those he has enriched only to learn how poor and helpless he is alone.

Chapter VI: Interest Rates in the United States

Concerning interest rates paid in the United States, while the Government, during the most trying period of our great war, never agreed to pay more than 7 3/10 per cent, and while rates on Government bonds have been reduced to 4 per cent, with pending propositions by distinguished statesmen to float 3-per-cent and 2-per-cent bonds running fifty years, the people as individual borrowers have paid as high as 50 per cent on yearly loans, and are now paying from 6 per cent to 12 per cent on long-time loans, and much more on short-time loans. . . .

The "interest mortgage" is a device to protect the loan agent from the operation of laws against usury. The first or principal mortgage, which recites the amount of money actually borrowed, secures payment of lawful interest only, and the second or *interest* mortgage secures the agent's fees in addition to the margin which he charges up against the owner of the money. It must be remembered that the business of negotiating loans has grown to a profession. It is rare now that a borrower ever contracts with the owner of the money he receives. The act of borrowing is performed through the agency of a "middle man," who is known as a loan agent, and he exacts fees

from both parties to the contract. He secures an investment for the owner of the money and charges him a fee for that; he secures a loan for the borrower and charges him for that. All below the legal rate of interest he can collect in court, and he does not need to conceal anything in regard to that; but all demands above the legal rate are usurious, and he may have some trouble about it in case he goes into court, so he puts this into a separate note and mortgage and "takes chances." This interest mortgage business is well understood among the victims. It is one department of a vast business which was plainly described by Prof. J. W. Gleed, of Kansas, in *The Forum* for March, 1890:

> The Western mortgage business was begun by individual brokers, who invested on their own judgment, based on personal knowledge of borrowers and securities. Their profit lay in the margin between the low interest capitalists would accept and the high interest borrowers would pay. Capitalists sent their money for investment, and mortgages were made to them directly, so that the brokers required no capital. The business of bringing borrower and lender together has always been profitable. The broker of the community becomes the capitalist of the community. The Western mortgage brokers have been no exception to the rule. One of them in Kansas has made nearly $10,000,000 since 1870. The business developed rapidly. As increased capital has become necessary, individual brokers have given way to corporations. There are probably two hundred such corporations now operating in Nebraska and Kansas alone. While the individual broker confined his operations to his own and adjoining counties, the corporation took States for its field, established local agents, and adopted the plan of taking all mortgages in the company's name. . . . As to the payment of the commission, various plans are in use. The most profitable is this: Out of the proceeds of the note and mortgage the negotiator receives all the expense of making the loan and his commission. For many years this commission was enormous. The companies located at St. Paul, Omaha, Des Moines, Kansas City, St. Joseph, Topeka, Denver, or Dallas sometimes received as high as 15 per cent commission on a five-year loan, and for many years the home company never received less than 10 per cent. The local agent exacted all that he could above this amount. Another custom as to commission is to secure it by notes and a second mortgage. This commission is usually made payable in ten semi-annual installments. On default in the payment of one installment, the whole sum becomes due. Embodied in the note or mortgage are all conceivable provisions for the protection of the lender. Interest is made payable semi-annually, and is represented by interest coupons that bear interest from maturity at the highest legal rate. The borrower assures the payment of the taxes, and agrees to keep the buildings insured for the benefit of the mortgagee. On default in the payment of interest or in the performance of any of the agreements of the note or mortgage, the lender may declare the whole amount of principal and interest immediately due. Such being the contract, other sources of profit besides the initial commission will immediately be perceived. . . .

Chapter XII: The Hand of the Money Changer Is on Us

From this array of testimony the reader need have no difficulty in determining for himself "how we got here." The hand of the money changer is upon us. Money dictates our financial policy; money controls the business of the country; money is despoiling the people. The author of *Twenty-eight Years in Wall Street* boasts that in the wonderful commercial and industrial development of the age, and which, he says, exceeds that of all past time since Herodotus wrote, Wall Street was a prime factor. He claims, and truthfully too, that the power of the men who assemble there to catch the driftwood of trade is greater than that of monarchies. He says they "move the money which controls the affairs of the world." We see plainly that behind all the commercial villainies of the time this power rests in placid security while the robbing of the toilers proceeds. These men of Wall Street, posing as missionaries conquering deserts and building republics, men piously assuming universal dominion, religiously dictating the financial policies of nations, moving in an atmosphere of radiant morals, self-appointed philosophers teaching honor and honesty to an ignorant world, these men of fabulous fortunes built upon the ruin of their fellows, are in fact the most audacious gamblers in Christendom. The poor fool who with a few dollars opens a faro bank or sets up a monte table in a country town is by common consent an outlaw; every man's face is set against him, and he is liable to arrest and imprisonment at any hour; he is denied admittance to the houses of people who are clean; even the street gamins pass him by as if he were a leper. No man so little esteemed, no man so thoroughly loathed and despised as this fellow, the common gambler. Yet here in the very heart of the best civilization on earth, at the very center of business life and activity, living in luxury and ease, renting costly pews in splendid churches and hiring their worshiping done; men petted and feasted by the rich and easy everywhere, with millions of dollars at their call, governments at their command, and a loyal people in their service; these men who produce nothing, who add not a dollar to the nation's wealth, who fatten on the failures of other men, whose acquisitions are only what their fel-

lows have lost; these men without conscience, who believe they are specially commissioned to prey upon the people, who act as a sort of continuing self-appointed civil-service commission to examine candidates for important offices before their names are submitted to the voters; this pampered aristocracy living off the wreckage of commerce, who rake in a railroad, a state, or a nation with equal complacency; these men "whose private dwellings are more splendid than the public buildings," and whose "happy homes" are the fruit of other men's toil; these men who boast of their patriotism in lending a few millions of their ill-gotten gains to the government of their imperiled country at "12 per cent" interest, when thousands of farmers and wage workers of all sorts and conditions were voluntarily in the army at risk of life and home—all without question as to pay; these men masquerading as philanthropists and patriots while they are despoiling a nation and robbing the poor—these are the men who engineered the train that brought us where we are. They hold the bonds of nearly every State, county, city, and township in the Union; every railroad owes them more than it is worth. Corners in grain and other products of toil are the legitimate fruits of Wall Street methods. Every trust and combine made to rob the people had its origin in the example of Wall Street dealers. Touch any spring along the keyboard of commercial gambling and a Wall Street sign appears. This dangerous power which money gives is fast undermining the liberties of the people. It now has control of nearly half their homes, and is reaching out its clutching hands for the rest. This is the power we have to deal with. It is the giant evil of the time. Money is the great issue—all others pale into insignificance before this, the father of them.

CHARLES H. OTKEN

Populism had its Southern supporters, too, among whom were to be found Charles H. Otken (1839– ?). And the reasons, again, were deeply based on agrarian discontent. The South was economically dependent, like the West, and, like the West, it suffered from high-cost credit and discriminatory practices by the railroads. Southern efforts to cope with such problems on the political level were complicated by the presence of the Negro, still not completely disfranchised.

To Southern observers, the section's prime difficulty was the crop-lien system. Storekeepers' advances against a lien on the next year's cotton crop had been the only credit feasible in the disorder and disintegration of the years immediately following the Civil War. But to a lawyer like Charles H. Otken, the method of crop financing which had been necessary and useful as an emergency measure had grown into an incubus. The Southern farmer pledged land and crop to the storekeeper who furnished the supplies needed to make that crop. Debts rarely were completely cleared at the end of a season with the result that the accumulation of unpaid bills put the planter into his creditor's power. The merchant shaped the entire agricultural pattern to his own profit: it was the merchant-creditor who forced Southern farmers to grow cotton and buy food and stock at whatever prices he chose to demand. The crop-lien system thus imposed a sort of servitude, since the indebted farmer was obligated to deal with the merchant to whom he owed money.

Merchant credit and crop-liens bound the farmer, impoverished the section, and depleted the soil. But the system had even more perilous results, for the merchant might foreclose on his debtor. This entailed a concentration of land ownership and, worse still, an increase of cultivation by Negro share-croppers. This process of "abstracting the labor of the landlord" was giving the South's choicest lands to Negro cultivators.

That fact lay behind the unrest which was seething in the South. The example of the British West Indies, Otken finds, shows that "free Hamitic labor deteriorates in value year by year." Under the pernicious system of crop liens, the South was being brought to a similar state, for its white farmers were being ground between "the upper and nether millstones." There is only one remedy, Otken concludes in language that might be Hinton Helper's

[*q.v.*]: the Negroes must be returned to Africa or the "alarming increase of crime and vice" will hasten a "war of races" in the South.

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The Ills of the South

BY CHARLES H. OTKEN

Chapter III: The Lien Law Machine

The progress of Southern farmers to secure an ordinary competency is very slow. We refer to that class who own their land, from 100 to 2,000 or 3,000 acres. These landowners, provided with necessary live stock, are struggling to make a living. Capital amounting to $500 and $5,000, with personal labor added, is not remunerative on the farm. It pays no interest in a majority of instances. The investment itself is in danger. The product on thousands of farms has not been sufficient to pay the annual expense account. What then? A part of the property, real or personal, or both, must make up the difference between the income of the farm and its expenses. A good crop may cancel this balance, but this is a rare occurrence. The general rule is, the balance is increased until a part of the land, or all of it, adjusts the claim. It is history to-day, that farms of every dimension, all over the South, and the live stock, with the products raised on these farms, have barely enabled the occupants to live. In other words, in many instances the farms, horses, mules, and cattle, personal labor of the owners, and the general products raised, were required to pay the expense bill. Ten years made these men homeless. . . .

It is proposed to consider one of the general causes that have led to this impoverished condition of the Southern farmers. We believe there is no substantial consideration why affairs should remain as they are. There is a cause which underlies the evil. If it be real, remove it. We believe, with Pope: "Worth makes the man, and want of it the fellow." A higher value placed on integrity, a healthier moral sentiment in reference to right-doing, and the bestowal of confidence where it is deserved, would bring us back to the natural channels of trade. Cash business is, in the main, a necessity for the great body of the people. They can not conduct business on principles whose operations they do not understand, and which make success to secure a decent living well-nigh hopeless.

Deeds of trust have largely retarded the progress of the people. In one way or another they have hindered financial prosperity. The man who thus involved himself, whether he gave a lien on his land, his live stock, his prospective crop, or on all combined, was bolted to a hard condition. In not a few cases, economy in buying was not the rule. The prices paid for his supplies were high—so high that he could not afford to make the purchases. Had cash trade been the rule, many articles which he bought on credit would not have been bought on a cash basis, unless the price was far different. Both considerations, the absence of economy and the high prices generally, made the expense account of this class greater than the income.

The inefficient and unmanageable negro labor, soon after the war, involved Southern farmers deeper in debt than they were involved in 1865. Lien laws were enacted in all the Southern States to help this class of men, as well as the negroes. The humane intent of these laws was to furnish a basis of credit. The man who had land could give a lien on that. Those who had live stock only could get their year's supplies on this security. Those who had neither land nor live stock could rent land and a mule, and could give a lien on the prospective crop to secure the landowner, and the merchant for the goods bought. This last lien enabled the negroes to be independent of the white man's supervision.

No legislator could forsee the practical operations of these laws. One of the first effects was to derange negro labor. He was desirous to be to himself; to get away from his former master; to feel that all the old relations of a former condition were destroyed forever. This was natural. Whether it was wise in the negro to be his own manager, and act upon his own responsibility, is another question. The negroes had everything to learn, and the disposition to learn and be directed was wanting. The truth is, the old master was the negro's best friend and safest adviser. Unfortunately, the negroes as a class were far more disposed to listen to the stranger than to the old master. . . .

The share plan was a favorite with the negroes. They were their own managers. The employer furnished the land, the mule, and necessary farm tools. He was responsible to the merchant for the

supplies furnished the share worker. He generally received half the cotton and corn made by the negro. The corn was in many cases less than the quantity furnished by the employer and consumed by the plow animal during the year.

How did this plan work? Generally speaking, it neither benefited the negro nor the white farmer. The reason is plain. As soon as the negro became his own manager, his industrial qualities declined in value. Besides, he generally managed affairs badly. We speak of them as a class, and not of the exceptional good and successful negro farmers—a small number at best. The negro under this plan gave little attention to the corn crop. He raised no meat. The result of the year's work proved that his half of the cotton was not sufficient to pay the store account. The balance due the merchant was paid by the employer. The employer, already in debt, and unable to pay his annual store account, in time lost part or all his land.

In various localities in every State, merchants came into possession of many farms. Some merchants had a strong hankering to become large landowners. It exalted them in the estimation of the world to be the possessors of 50,000, 100,000, and 500,000 acres of land. By indirect means, the aim was to get possession of land. What revelations this policy has to make, is in the future. Some merchants took land because they could not help themselves. Other merchants so conducted their business that the necessity to take land was firmly resisted.

Before the lien laws were enacted, and before they were used as a basis of credit, thousands of farmers in every Southern State had already largely increased their debt obligations to merchants. At that period in Southern history, had no lien laws been enacted, and had all credit business been reduced to one-tenth of what it was annually, the whole South would now be solvent and prosperous. It would have entailed some suffering, but no one would have starved. Such an economic policy would have been of untold value to the negroes.

Under the operations of this system of business and these laws, merchants in various localities became large landowners. It was quite natural that they should desire to utilize these lands. What they did, other men similarly situated would have done. These merchants became competitors with the farmer. Each desired to make the industry a success. There can be no question that the merchant, or any other class of men, had just as much right to own land and to cultivate that land, and to employ negro labor or white labor, as the farmer. On general principles it was a mistake. Wherever this was done, bitter rivalry between the resident farmer and the merchant farmer of the town ensued. All things in love and war are fair, is a falsehood. Modes of procedure may be legally right, yet they are not always expedient. They may, in this instance, damage the common interest of the seller and the buyer.

The practical working of this new plan may be profitably illustrated. Mr. A., a merchant, owns one hundred farms. He proposes to cultivate these places on the share or rent plan. In no case, under these circumstances, does he employ hands for wages. The risk is too great, and supervision is impossible. In some instances land is sold, mostly to negroes; here and there to white men. He does a furnishing business. He provides them with plow stock and farming implements, if necessary; also with bread and meat and clothing. This will be severely allowanced by the crop prospect. And this bread and meat supply, it is claimed by those who have the opportunity to know the facts, is less, in many instances, than the necessity of hunger demanded. The merchant is not to be blamed for refusing to furnish a man more than he is able to pay. The method of working farms in certain localities is under consideration, and not men. The purposes of men may be fair, yet the principles upon which they act may prove disastrous to the general welfare. These men—the one hundred—are the customers of this merchant. Liens of one sort or another bind these people to him. What they make on these farms is practically his. . . .

The results of these peculiar local circumstances born of lien laws may be briefly summed up:

1. One of the first effects of the attempt of merchant farmers entering into competition with resident farmers in the farming industry, is the difficulty on the part of the latter to secure labor. The merchant with a big store appeared, in the estimation of the negro, a rich man. The white farmer by comparison was poor, and himself dependent upon this rich merchant for supplies. The negro prefers the rich man to the poor man. The negro never had much regard for "poor white trash." The merchant had the vantage ground in securing labor. Practically, the merchant embarrassed the debt-ridden farmer. It was not so intended, but it operated in this way. . . .

2. The labor on merchant farms demoralized the labor on places of resident farmers. Discipline and regular industry among the negroes are, at best, declining in value. This plan introduced a new element of danger and confusion. The negroes on the merchants' places enjoyed and took great privileges. They worked when they pleased; they visited when they pleased; they rode to meetings

and everywhere else, by day and by night, when they pleased; and they enjoyed this lazy, slipshod mode of life to their hearts' content. It had the spice of Africa in it. It did not stop here. They taunted the negroes on places of resident farmers, who did not follow their idle and vagrant example, as "black niggers that didn't have sense enough to be free," and other expressions of scurrilous import. This conduct did the damage to the farming people in these localities.

The resident farmer saw in this state of things a big screw loose. Not a few had less than half the number of negroes that they could provide with land. The worst feature was, those they had were demoralized by the labor on merchant places. To control them was a difficult thing. To get work out of them was a task. The danger of losing even these inferior laborers was great. Patience was worn threadbare. Other resident farmers, with land and live stock sufficient for twenty and more hands, could not secure a single negro laborer. They folded their arms in black despair. The situation of these men, burdened with debt, the property of not a few covered with mortgages, with an insufficient complement of labor, and that not controllable, and in some cases no labor at all, was as blue as indigo. They were crippled in their work and their prospects by the very men into whose coffers they poured every dollar made on the farm. It is not charged that this was done intentionally. What was the remedy? Men were at sea without a compass. Ruin never before looked so much like ruin as these circumstances plainly prophesied to the farmers thus situated.

3. This purpose on the part of merchants to cultivate farms obtained under the credit system, and the lien laws of the country, waked up bitter memories. The application is to individuals. The effect refers to many. To illustrate: Mr. Henry, a farmer, was in debt to his merchant $3,000. This debt was the result of balances carried over for years. The farm owned by Henry was cheap at $5,000. After much discussion and hard feeling, the merchant bought the place for $3,500. The old account and a small place valued at $400 and $100 cash closed the transaction. Thus ends this matter, but not so the consequences in the years to come.

Time passed on. The parents were dead, and the children were scattered in various parts of the country. Patrick, the younger son, occupied the little place received in exchange with the merchant's account for the old homestead. Mr. ——, a near neighbor, incidentally remarked one day to a group of friends, that the Henry place cost in actual cash $1,000. Be this as it may, Patrick, now a married man, heard of the report. He was desirous to rent the place, and, if possible, buy it.

His father's merchant was still doing business in the same town. Patrick offered to rent it, so did Black John, one of the old Henry negroes. Eight bales of cotton was the rental. Patrick offered nine bales, but Black John got it for eight. Patrick was an energetic, intelligent young farmer. Such, in substance, was the information imparted to us.

The old homestead was on the same road, and a few miles distant from the little farm where Patrick lived. Here was material for thought. The legal aspect of the transaction cannot be questioned. But something is due to circumstances, to associations, to those tender ties that give aroma to life. "My mother's bedroom," said the young man, "is now occupied by father's carriage-driver. Had he but rented the place to any other man, white or black, I would not feel so outraged. I have good feeling for our old servant Black John; but I can not separate myself from the endearing associations of my parental home. The very mention of father, mother, brothers, and sisters calls up sacred memories, and these cluster about my birthplace. Why was my offer to rent the homestead so rudely rejected?" It is hoped that such cases are rare. The sympathy of the community was with that young man. The feelings of the people were smouldering. These are bitter memories.

4. Another effect showed itself in many depredations. These tenants fared no better than other tenants in making a living—rather worse. As a class they were often hard pressed for food. In such case "mine and thine" were ignored. Shoats, sheep, young cattle, and poultry were common prey. The corncrib and the potato-bank, if accessible, were not sacred objects to a hungry stomach. Ten tenants, we were informed, representing 30 persons, made 30 bales of cotton and 500 bushels of corn. They raised no potatoes, or next to none, and no meat. Half of the cotton and corn belonged to the landowner. The remainder paid for the supplies furnished during the year. Fifty-two dollars will not suffice to buy food and clothing for three persons to each tenant on an average.

It is not meant that the condition of all tenants of this class was this bad, nor yet that that of the tenants with resident farmers was much better; but that this peculiar plan of renting land to negroes without supervision, means poor crops, especially food crops. And poor crops lead to stealing. Why should the people be deluded with the idea that this sort of management can promote the prosperity of the country? The poor negro is not benefited, and the foundation is laid for trouble.

5. Thievery among negroes, if not the cause, has been the occasion, of much violence. It is difficult to appreciate the situation. Honest men that work hard to make a living, and fail in so many instances to make ends meet, and then have the little they make, stolen, are certainly annoyed beyond endurance.

6. With these environments, the two hundred farmers have an uphill business, in these localities, at farming. If they were encouraged by sympathy and generous interest, unmixed with selfish considerations, it is firmly believed that the result would benefit them, the negroes, and the general trade. So much for the bad effects of lien laws in various localities. . . .

The credit system is a step generally toward lien laws. Either one enslaves; the latter intensifies the condition. Whenever the danger point is reached, these laws are sure to be invoked. Were these laws repealed, the furnishing business would soon come to a dead halt in thousands of cases. Economy and freedom would in a few years take the place of extravagance, credit prices, and slavery. Whatever kindness may be in these methods, it is dearly bought. It certainly does look, from all the experience of the past, that this plan of buying on long time, secured by liens, is the very best means to remain poor all the days of one's life. This method as a whole keeps a man poor, wrecks his peace of mind, makes him old before his time, and destroys his independence. He can not trade where he pleases, if he has agreed to do business with a given merchant. Besides, in the course of years, he is bound to suffer more or less humiliation. If this is not a mean bondage, what is? When shall the delusion that this state of things is necessary, be broken? . . .

Under the treacherous operations of these lien laws, farmers involved themselves in debt, gave security on their estates when cotton was selling at 30, 25, 20, 15, and 10 cents per pound. They bought land, horses, and merchandise when the great Southern staple brought a high price. Everything else was high. Interest accumulated year by year. A steady pressure was kept on cotton production. Grain growing and meat raising were neglected. The increase of the cotton crop pressed down its price. Now, when cotton is down to 7 cents, the attempt to pay old debts incurred when the price of cotton ruled at 15, 12, and 10 cents, is an herculean task. Many farmers are hopelessly ruined. Who is responsible for this desperate state of affairs? Not the merchant nor the farmer, but this subtle relief device, the lien laws, and the annual credit supply business. This system brings sad experience to one class of men, and gold to another class.

HENRY DEMAREST LLOYD

Henry Demarest Lloyd (1849–1903) was a native New Yorker. Of pioneer Dissenting stock, Lloyd followed family patterns in fighting evil, though he chose to battle Tammany and the trusts rather than the simpler devil his father had challenged from the pulpit of a Dutch Reformed church. After being graduated from Columbia and then admitted to the bar, Lloyd made one of a group of young lawyers who helped defeat the Tweed Ring in 1871. Soon afterward, Lloyd left New York and the law for newspaper work in Chicago.

By 1881, his observations had crystallized into an *Atlantic* article attacking the Standard Oil Trust. His experience as a supporter of the accused in the Haymarket trials strengthened Lloyd's conviction that, somewhere along the way, the American system had been perverted to serve monopoly, not the common man.

In *Wealth against Commonwealth* (1894), Lloyd expands his *Atlantic* article which prefigures the work of the "muckrakers" of the next decade. Lloyd is less sensational in his approach than these, but all his work is characterized by the same passionate indignation against privilege and the same faith in the people.

The great problem of the time, according to Lloyd, is the growth of concentrated wealth. From state and congressional investigations and the records of many trials, Lloyd draws the material which supports his story of ruthless competition to establish monopoly. Though the oil industry is Lloyd's chief preoccupation, he notes the growth of trusts in many other fields and their links with the railroads, which are themselves being consolidated into a few noncompeting systems.

More than any other trust, Standard Oil

exists by virtue of railroad favoritism. It was a latecomer to the oil-producing field, Lloyd goes on, and it added nothing to the technological development of the industry. Other men perfected methods of refining and transporting oil; other men were forced to build pipe lines when the trust won control of the railroads. The great contributions of the trust have been the exaction of rebates, the manipulation of freight rates, and the devising of means for forcing its competitors out of business. The Oil Trust, Lloyd sums up, "was created in defiance of law, exists in contempt of the law, and in its living the law dies daily."

The rebate has been the main tool of the trust. With it, Standard Oil has not merely shipped its own oil more cheaply but it has levied toll on the shipments of its competitors as well. For the most part, it has held the public subjugated; but some communities have been able to fight back. The people of Columbus, Mississippi, actually maintained a three-year boycott against its effort to drive independent oil merchants from the field; and the people of Toledo, Ohio, defeated the trust's subsidiary monopoly in natural gas by successfully building a municipal plant to supply natural gas to themselves. These examples point the way toward hope, Lloyd declares. The people must realize that their battle is not only with business abuses, but with the whole pattern of business morals. Society must be reformed by the joint labor of associated individuals until democracy rules industry as well as the state.

In that conclusion, as well as in the methodical presentation of facts, Lloyd resembles his more famous successor in muckraking, Lincoln Steffens. Like Steffens, Lloyd championed unpopular causes—the Chicago anarchists; Debs's defense against the sentence for contempt of court; the election of Populist congressmen; compulsory arbitration on the New Zealand method; the striking coal miners of 1902—and like Steffens, Lloyd finally came to think that only the most radical political action could cope with the evils that were so plain to him. In the year of his death, Lloyd joined the Socialist party, but he was never active in its councils.

The selection here reprinted is from *Wealth against Commonwealth* (New York, 1894) and is published by permission of Harper and Brothers.

Wealth against Commonwealth

BY HENRY DEMAREST LLOYD

CHAPTER I: "THERE ARE NONE"—"THEY ARE LEGION"

NATURE is rich; but everywhere man, the heir of nature, is poor. Never in this happy country or elsewhere—except in the Land of Miracle, where "they did all eat and were filled"—has there been enough of anything for the people. Never since time began have all the sons and daughters of men been all warm, and all filled, and all shod and roofed. Never yet have all the virgins, wise or foolish, been able to fill their lamps with oil.

The world, enriched by thousands of generations of toilers and thinkers, has reached a fertility which can give every human being a plenty undreamed of even in the Utopias. But between this plenty ripening on the boughs of our civilization and the people hungering for it step the "cornerers," the syndicates, trusts, combinations, with the cry of "over-production"—too much of everything. Holding back the riches of earth, sea, and sky from their fellows who famish and freeze in the dark, they declare to them that there is too much light and warmth and food. They assert the right, for their private profit, to regulate the consumption by the people of the necessaries of life, and to control production, not by the needs of humanity, but by the desires of a few for dividends. The coal syndicate thinks there is too much coal. There is too much iron, too much lumber, too much flour—for this or that syndicate.

The majority have never been able to buy enough of anything; but this minority have too much of everything to sell.

Liberty produces wealth, and wealth destroys liberty. "The splendid empire of Charles V.," says

Motley, "was erected upon the grave of liberty." Our bignesses, cities, factories, monopolies, fortunes, which are our empires, are the obesities of an age gluttonous beyond its powers of digestion. Mankind are crowding upon each other in the centres, and struggling to keep each other out of the feast set by the new sciences and the new fellowships. Our size has got beyond both our science and our conscience. The vision of the railroad stockholder is not far-sighted enough to see into the office of the General Manager; the people cannot reach across even a ward of a city to rule their rulers; Captains of Industry "do not know" whether the men in the ranks are dying from lack of food and shelter; we cannot clean our cities nor our politics; the locomotive has more manpower than all the ballot-boxes, and mill-wheels wear out the hearts of workers unable to keep up beating time to their whirl. If mankind had gone on pursuing the ideals of the fighter, the time would necessarily have come when there would have been only a few, then only one, and then none left. This is what we are witnessing in the world of livelihoods. Our ideals of livelihood are ideals of mutual deglutition. We are rapidly reaching the stage where in each province only a few are left; that is the key to our times. Beyond the deep is another deep. This era is but a passing phase in the evolution of industrial Cæsars, and these Cæsars will be of a new type—corporate Cæsars.

For those who like the perpetual motion of a debate in which neither of the disputants is looking at the same side of the shield, there are infinite satisfactions in the current controversy as to whether there is any such thing as "monopoly." "There are none," says one side. "They are legion," says the other. "The idea that there can be such a thing is absurd," says one, who with half a dozen associates controls the source, the price, the quality, the quantity of nine-tenths of a great necessary of life. But "There will soon be a trust for every production, and a master to fix the price for every necessity of life," said the Senator who framed the United States Anti-Trust Law. This difference as to facts is due to a difference in the definitions through which the facts are regarded. Those who say "there are none" hold with the Attorney-General of the United States and the decision he quotes from the highest Federal court which has yet passed on this question [1] that no one has a monopoly unless there is a "disability" or "restriction" imposed by law on all who would compete. A syndicate that had succeeded in bottling for sale all the air of the earth would not have a monopoly in this view, unless there were on the statute-books a law forbidding every one else from selling air. No others could get air to sell; the people could not get air to breathe, but there would be no monopoly because there is no "legal restriction" on breathing or selling the atmosphere.

Excepting in the manufacture of postage-stamps, gold dollars, and a few other such cases of a "legal restriction," there are no monopolies according to this definition. It excludes the whole body of facts which the people include in their definition, and dismisses a great public question by a mere play on words. The other side of the shield was described by Judge Barrett, of the Supreme Court of New York. A monopoly he declared to be "any combination the tendency of which is to prevent competition in its broad and general sense, and to control and thus at will enhance prices to the detriment of the public. . . . Nor need it be permanent or complete. It is enough that it may be even temporarily and partially successful. The question in the end is, Does it inevitably tend to public injury?" [2]

Those who insist that "there are none" are the fortunate ones who came up to the shield on its golden side. But common usage agrees with the language of Judge Barrett, because it exactly fits a fact which presses on common people heavily, and will grow heavier before it grows lighter.

The committee of Congress investigating trusts in 1889 did not report any list of these combinations to control markets, "for the reason that new ones are constantly forming, and that old ones are constantly extending their relations so as to cover new branches of the business and invade new territories."

It is true that such a list, like a dictionary, would begin to be wrong the moment it began to appear. But though only an instantaneous photograph of the whirlwind, it would give an idea, to be gained in no other way, of a movement shadowing two hemispheres. In an incredible number of the necessaries and luxuries of life, from meat to tombstones, some inner circle of the "fittest" has sought, and very often obtained, the sweet power which Judge Barrett found the sugar trust had: It "can close every refinery at will, close some and open others, limit the purchases of raw material (thus jeopardizing, and in a considerable degree controlling, its production), artificially limit the production of refined sugar, enhance the price to

[1] Annual Report Attorney-General of the United States, 1893.

[2] People of the State of New York *vs.* The North River Sugar Refining Company. Supreme Court of New York—at Circuit (January 9, 1889). New York Senate Trusts, 1889, p. 278.

enrich themselves and their associates at the public expense, and depress the price when necessary to crush out and impoverish a foolhardy rival."

Corners are "acute" attacks of that which combinations exhibit as chronic. First a corner, then a pool, then a trust, has often been the genesis. The last stage, when the trust throws off the forms of combination and returns to the simpler dress of corporations, is already well along. Some of the "sympathetical co-operations" on record have no doubt ceased to exist. But that they should have been attempted is one of the signs of the time, and these attempts are repeated again and again until success is reached. . . .

Many thousands of millions of dollars are represented in these centralizations. It is a vast sum, and yet is but a minority of our wealth.

Laws against these combinations have been passed by Congress and by many of the States. There have been prosecutions under them by the State and Federal governments. The laws and the lawsuits have alike been futile.

In a few cases names and form of organization have been changed, in consequence of legal pursuit. The whiskey, sugar, and oil trusts had to hang out new signs. But the thing itself, the will and the power to control markets, livelihoods, and liberties, and the toleration of this by the public—this remains unimpaired; in truth, facilitated by the greater secrecy and compactness which have been the only results of the appeal to law. . . .

What we call Monopoly is Business at the end of its journey. The concentration of wealth, the wiping out of the middle classes, are other names for it. To get it is, in the world of affairs, the chief end of man.

There are no solitary truths, Goethe says, and monopoly—as the greatest business fact of our civilization, which gives to business what other ages gave to war and religion—is our greatest social, political, and moral fact.

The men and women who do the work of the world have the right to the floor. Everywhere they are rising to "a point of information." They want to know how our labor and the gifts of nature are being ordered by those whom our ideals and consent have made Captains of Industry over us; how it is that we, who profess the religion of the Golden Rule and the political economy of service for service, come to divide our produce into incalculable power and pleasure for a few, and partial existence for the many who are the fountains of these powers and pleasures. This book is an attempt to help the people answer these questions. It has been quarried out of official records, and it is a venture in realism in the world of realities. Decisions of courts and of special tribunals like the Interstate Commerce Commission, verdicts of juries in civil and criminal cases, reports of committees of the State Legislatures and of Congress, oath-sworn testimony given in legal proceedings and in official inquiries, corrected by rebutting testimony and by cross-examination—such are the sources of information. . . .

To give the full and official history of numbers of these combinations, which are nearly identical in inspiration, method, and result, would be repetition. Only one of them, therefore, has been treated in full—the oil trust. It is the most successful of all the attempts to put gifts of nature, entire industries, and world markets under one hat. Its originators claim this precedence. It was, one of its spokesmen says, "the parent of the trust system."[3] It is the best illustration of a movement which is itself but an illustration of the spirit of the age.

Chapter XXXIII: The Smokeless Rebate

With searching intelligence, indomitable will, and a conscience which makes religion, patriotism, and the domestic virtues but subordinate paragraphs in a ritual of money worship, the mercantile mind flies its air-line to business supremacy. That entirely modern social arrangement—the private ownership of public highways—has introduced a new weapon into business warfare which means universal dominion to him who will use it with an iron hand.

This weapon is the rebate, smokeless, noiseless, invisible, of extraordinary range, and the deadliest gun known to commercial warfare. It is not a lawful weapon. Like the explosive bullet, it is not recognized by the laws of war. It has to be used secretly. All the rates he got were a secret between himself and the railroads. "It has never been otherwise," testified one of the oil combination.[1] The Chevalier Bayard declared proudly, as he lay on his death-bed, that he had never given quarter to any one so degraded and unknightly as to use gunpowder. Every one would close in at once to destroy a market combatant who avowed that he employed this wicked projectile. . . .

"And in the actual practice of daily life," says Ruskin, "you will find that wherever there is secrecy, there is either guilt or danger." "When did you discover the fact that these rebates had been paid?" one of the victims was asked.

"We never discovered it as a fact until the testimony was taken in 1879. . . . We always suspected it; but we never knew of it of our per-

[3] *Combinations*, by S. C. T. Dodd, p. 19.

[1] Testimony, New York Assembly "Hepburn" Report, 1879, p. 2668.

sonal knowledge, and never would really have known it of our personal knowledge. . . . I had no idea of the iniquity that was going on." [2] . . .

Men who hunt their fellow-men with this concealed weapon always deny it, as they must. To use it has always been a sin, and has been made a crime in every civilized State. Under United States law it is, since 1887, an offence punishable with imprisonment in the penitentiary.[3] Moral ideals are not born in legislatures. When an act attains by a law the distinction of being made a crime, it is already well on its way to extinction. It is made infamous by law, because it has already become infamous before the conscience and honor of men. It was not the prohibition of highway privilege by the Constitution of Pennsylvania or the laws of the United States which made the rebate an iniquity. This legal volley is but a salute to the established conscience. . . .

One of the successful men disposed of the evidence that these powers had been so used by styling it before the committee of Congress of 1888 as the "worst balderdash," and before the New York Legislative Committee of 1888 as "irresponsible newspaper statements," "a malignity and mendacity that is little short of devilishness." The secretary of the oil trust waved it away as "all this newspaper talk and flurry." The president knows nothing about the existence of such privileges, except that he has "heard much of it in the papers." And yet another of the trust in the *North American Review* of February, 1883, similarly describes the accusation as "uncontradicted calumny," to which, he regrets to say, "several respectable journals and magazines lent themselves."

After taking 3700 pages of evidence and sitting for months, the committee of 1879 of the New York Legislature said in their report: "The history of this corporation is a unique illustration of the possible outgrowth of the present system of railroad management in giving preferential rates, and also showing the colossal proportions to which monopoly can grow under the laws of this country.[4] . . . The parties whom they have driven to the wall have had ample capital and equal ability in the prosecution of their business in all things save their ability to acquire facilities for transportation." [5]

The committee of the Ohio Legislature which took the evidence of the treatment of the Marietta independents by the railroads is, so far as the author knows, the only body of all the legislative and judicial tribunals that have been investigating for the past thirty years which has found the relations of the railroads and the oil combination to be proper. It used the words "public," "uniform," "in accordance with law," "equitable," "no special discriminations or privileges" to describe the conduct of the common carriers in that case. But in doing so it had to except from these exculpations the railroad which originated the attack on the independent refiners, and the rates of which controlled the others, as it was the initial road. It had also to admit that the oil combination had received "better rates," but defended them on the ground that its shipments were larger. These two exceptions are doors wide enough to admit every possibility of the rebate. The Secretary of State for Internal Affairs of Pennsylvania made an investigation in 1878 on the complaint of citizens. He reported to the Attorney-General that no case had been made out "beyond the ordinary province of individual redress." He was hung in effigy by the citizens, and the evidence he took remains, like that of the Ohio Committee of 1879, a valuable repository of facts from which students can draw their own conclusions.

More than any others the wrongs of the oil industry provoked the investigations by Congress from 1872 to 1887, and caused the establishment of the Interstate Commerce Commission, and more than any others they have claimed the attention of the new law and the new court. The cases brought before it cover the oil business on practically every road of any importance in the United States—in New England, the Middle States, the West, the South, the Pacific coast; on the great East and West trunk roads—the Pennsylvania, the Erie, the Baltimore and Ohio, the New York Central, and all their allied lines; on the transcontinental lines—the Union Pacific, the Central Pacific, the Southern Pacific; on the steamship and railroad association controlling the South and Southwest. They show that from ocean to ocean, and from the Gulf of St. Lawrence to the Gulf of Mexico, wherever the American citizen seeks an opening in this industry, he finds it, like the deer forests and grouse moors of the old country, protected by game-keepers against him and the common herd. The terms in which the commission have described the preferences given the oil combination are not ambiguous: "Great difference in rates," "unjust discrimination," "intentional disregard of rights," "unexcused," "a vast discrepancy,"

[2] Testimony, Trusts, Congress, 1888, pp. 215, 223, 226.
[3] Interstate Commerce Law, sec. 10.
[4] New York Assembly "Hepburn" Report, 1879, pp. 40–41.
[5] New York Assembly "Hepburn" Report, 1879, p. 44.

"enormous," "illegal," "excessive," [6] "extraordinary," "forbidden by the act to regulate commerce," [7] "so obvious and palpable a discrimination that no discussion of it is necessary," "wholly indefensible," "patent and provoking discriminations for which no rational excuse is suggested," "obnoxious," "disparity . . . absurd and inexcusable," "gross disproportions and inequalities," [8] "long practised," "the most unjust and injurious discrimination . . . and this discrimination inured mostly to the benefit of one powerful combination." [9]

This was what the Interstate Commerce Commission found all along the record from 1887 to 1893. . . .

In the United States the processes of business feudalization are moving more rapidly to the end than in any other country. In Chicago, the youngest of the great cities of the youngest of the great nations, there are fewer wholesale dry-goods stores in 1894 for a population of 1,600,000 than there were in 1860 for 112,172. In almost every one of the meteoric careers by which a few men in each trade are rising to supreme wealth, it will generally be found that to some privilege on the railed highways, accomplished by the rebate, is due the part of their rise which is extraordinary. A few cases of great wealth from the increased value of land, a few from remarkable inventions like the sewing-machine, are only exceptions.

From using railroad power to give better rates to the larger man, it was an easy step to using it to make a favorite first a larger man, then the largest man, and finally the only man in the business. In meat and cattle we see men rising from poverty to great wealth. From being competitors, like other men, in the scramble, they get into the comfortable seat of control of the prices at which the farmer must sell cattle, and at which the people must buy meat.[10] Many other men had thrift, sobriety, industry, but only these had the rebate, and so only these are the "fittest in the struggle for existence." We find a merchant prince of the last generation in New York gathering into his hands a share of the dry-goods business of the country which appears entirely disproportionate to his ability and energy, great though these be. Is his secret a brain so much larger than his competitors' brains as his business is greater than theirs? . . .

The officials of the Pennsylvania Railroad, by the use of rebates, handed over the State of Pennsylvania to three coal-dealers, each of whom had his territory, and was supreme in it, as would-be competitors found out when they undertook to ship coal into his market. They made a similar division of the iron and steel business. The rebate is the golden-rule of the "gospel of wealth." We have already seen that the secret of the few corporations which have become the owners of almost every acre of the anthracite coal of Pennsylvania was the rebate.

Along one of the most important lines out of Chicago grain dealers who had been buying and selling in an open market, building elevators, investing capital and life, found five years ago market and railroad and livelihood suddenly closed to them, and the work of thirty years brought to an untimely end. The United States Interstate Commerce Commission, and the United States District Attorneys co-operating with it, broke down in the attempt to compel the railroad men who gave these privileges of transportation, or the business men who received them, to testify or to produce their books. The United States grand-jury in Chicago, in December, 1890, proceeded against the shippers and the railroad men. All of them refused to tell the rates given or received, or to produce their books.

Why do you refuse to answer? they were asked.

Because to do so would incriminate us.

Here, too, would-be successful men have gone gunning with the smokeless rebate for control of the wheat and corn and all the produce of the American farmer. Grain is fated to go the way that oil, hard coal, cattle, and meat have already gone. The farmer may remain the nominal owner of his farm under these circumstances, but he will be real owner of nothing but the piece of paper title.

First the product of the farm; then the farm. In America rises the shadow of a coming landownership more concentrated, more cruel, with the impersonal cruelty of corporate anonymity, than any the world has yet seen. . . .

This is what is going on to-day in the "division of property" in America. Our society is woven together by the steam shuttle that moves between its farms and dinner-tables, its cotton-fields and fac-

[6] Rice *vs.* Louisville and Nashville Railroad *et al.* Interstate Commerce Commission Reports, vol. i., p. 722. Trusts, Congress, 1888, pp. 675–84.

[7] Scofield *vs.* Lake Shore and Michigan Southern Railroad. Interstate Commerce Commission Reports, vol. ii., p. 90.

[8] Rice, Robinson and Witherop *vs.* Western New York and Pennsylvania Railroad *et al.* Interstate Commerce Commission Reports, vol. iv., p. 131.

[9] Same.

[10] Testimony, New York Assembly "Hepburn" Report, 1879, pp. 397, 781, 825, 924, 1383. United States Senate Report on Meat Products, p. 23.

tories, thousands of miles apart, and the shuttle is crooked. Out of $800,000,000 paid yearly in this country for the carriage of freight, it was estimated in 1888, by one who knew, that $50,000,000 to $100,000,000 goes to favored shippers.[11] As the result of personal examination made as an expert for stockholders, he declared that one of the great trunk lines had in the last twenty years thus diverted to favorites of the managers $100,000,000 of the money of the stockholders. Besides his yachts and trotters, every Captain of Industry worth talking about keeps his stud of railway presidents and general freight agents.

Public opinion, as yet only in the gristle in these new questions, turns upon first one and then another as the author of its troubles—the soulless corporation, the combination of corporations, railroad oppression, or what not. But the corporation is merely a cover, the combination of corporations an advantage, the private ownership of public highways an opportunity, and the rebate its perfect tool. The real actors are men; the real instrument, the control of their fellows by wealth, and the mainspring of the evil is the morals and economics which cipher that brothers produce wealth when they are only cheating each other out of birthrights.

The success of the same men in Europe shows that railroad discrimination is not the essence of their power, though it has in America been the chief instrument. By their wealth and their willingness to use it in their way they have become supreme. Supreme even where, as in England and Germany, they had no such unjust and crushing preference on the highways as in America. Back of highway privilege, back of money power, back of trade supremacy gained by these two means must be reckoned, as the essence of this phenomenon, the morality—our morality—which not only allows but encourages men to do each other to death, provided only the weapon be a bargain and the arena a market. "Everything shall not go to market," says Emerson; but everything does go to market. The millionaire is the modern hero, says the New York *Evening Post*. The men who have found in the rebate the secret of business success —and there are more of them than the public guesses—have only extended a fiercer hand to the results all were aiming at. They have used the smokeless rebate because it was the best gun. But if that had not been ready to their hand, they would have taken the next best. The course of conquest might have been slower, but, unless checked by moral interventions, it would have reached the same end. If society is founded on the idea that property belongs to the strongest, these will sooner or later get all the property, by bargains or by battles according to "the spirit of the age." . . .

[11] Franklin B. Gowen, before the United States Senate Interstate Commerce Committee, March, 1888.

IGNATIUS DONNELLY

THESE GRIEVANCES against America were summarized in an indignant and defiant manifesto —the Platform of the People's party of 1892. It was the work of Ignatius Donnelly (1831–1901) who was one of the most colorful of the Western leaders of the period.

Donnelly's parents had come from Ireland to Philadelphia in the early years of the century and had brought up their young son to the law. Donnelly himself moved to Minnesota in the fifties and left legal practice to speculate in land. The panic of 1857 brought ruin to his schemes and turned his interest from town lots to farming. He joined the new Republican party, served in Congress from 1863 to 1869, worked for land grants to the Minnesota railroads, and grew up with his section.

In the early seventies, Donnelly left the Republican party. He joined the Liberal Republican movement, which tried to defeat Grant with Horace Greeley, and then cast in his lot with the Grangers and the Greenbackers. But political lost causes were not enough to enlist his full interest and energies; he also engaged in literary lost causes. In the eighties, he wrote *The Great Cryptogram*, in which he proved not only that Bacon wrote the plays of Shakespeare but that he wove into them a complete account of the life and ill doings of the man who was credited with his achievement. By 1887, Donnelly was again in politics, this time serving in the Minnesota Legislature as a representative of the Farmers' Alliance movement.

In the years when Donnelly was working to

help unite the various agrarian groups on a single platform, he was writing his striking propaganda novels, *The Golden Bottle* and *Caesar's Column*. In the first, Donnelly tells the story of a Kansas farm youth whose appeal to heaven is answered with a magic vial. Its contents can turn iron into gold. Thus fortified, Ephraim Benezet saves his father's farm and his Kansas county from usurious mortgage owners. He proceeds to conquer first the United States—when he is elected President against the opposition of the "interests"—and then the earth. The world's last battle is fought between President Benezet and the Czar of Russia; thereafter, peace, plenty, low interest, and the green-belt town prevail and man achieves Utopia.

Caesar's Column is a grimmer story. The year of the novel is 1988. Plutocracy has achieved complete victory. Under the forms of republicanism and constitutional monarchy, finance capital rules the world and maintains its power by a police force which uses dirigibles from which are dropped explosive bombs and "a subtle poison which rolls steadily forward, killing all who breathe it." But the plutocracy has not counted on love or the power of conspiracy. A wealthy young man, whose father has been unjustly imprisoned, becomes leader in a triumvirate of plotters who succeed in organizing a world-wide society of avengers. The youth buys off the plutocracy's police and, on the day of revolt, the bombs drop not on the revolutionaries but on the soldiers sent out to crush them. Destruction sweeps over the world, and the last monument of Western civilization is "Caesar's Column," a huge pyramid of the heads of the plutocrats, severed and sheathed in a concrete shell.

The social philosophy of Donnelly's novels is represented in the preamble and in many of the specific demands of the Populist platform of 1892. When spokesmen for the Northern and Southern Farmers' Alliances met at Omaha, they decided, after long negotiation, to join forces and enter the presidential campaign of 1892 as an independent party. The preamble to their platform was written by Ignatius Donnelly, as has been noted, and its flamboyant rhetoric represents his thinking about America as well as the sentiments of many of the Populists.

The selection here reprinted is taken from contemporary newspapers.

People's Party Platform of 1892

BY IGNATIUS DONNELLY

ASSEMBLED upon the 116th anniversary of the Declaration of Independence, the People's party of America, in their first national convention, invoking upon their action the blessing of Almighty God, puts forth, in the name and on behalf of the people of this country, the following preamble and declaration of principles:

The conditions which surround us best justify our co-operation: we meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot-box, the legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the states have been compelled to isolate the voters at the polling places to prevent universal intimidation or bribery. The newspapers are largely subsidized or muzzled, public opinion silenced, business prostrated, our homes covered with mortgages, labor impoverished, and the land concentrating in the hands of the capitalists. The urban workmen are denied the right of organization for self-protection; imported pauperized labor beats down their wages, a hireling standing army, unrecognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind; and the possessors of these, in turn, despise the republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes—tramps and millionaires.

The national power to create money is appropriated to enrich bondholders; a vast public debt payable in legal-tender currency has been funded

into gold-bearing bonds, thereby adding millions to the burdens of the people.

Silver, which has been accepted as coin since the dawn of history, has been demonetized, to add to the purchasing power of gold by decreasing the value of all forms of property as well as human labor, and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprise, and enslave industry. A vast conspiracy against mankind has been organized on two continents, and it is rapidly taking possession of the world. If not met and overthrown at once, it forebodes terrible social convulsions, the destruction of civilization or the establishment of an absolute despotism.

We have witnessed for more than a quarter of a century the struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influences dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them. Neither do they now promise us any substantial reform. They have agreed together to ignore, in the coming campaign, every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver, and the oppressions of the usurers may all be lost sight of. They propose to sacrifice our homes, lives, and children on the altar of Mammon; to destroy the multitude in order to secure corruption funds from the millionaires.

Assembled on the anniversary of the birthday of the nation, and filled with the spirit of the grand general chief who established our independence, we seek to restore the government of the republic to the hands of "the plain people," with whose class it originated. We assert our purposes to be identical with the purposes of the National Constitution, "to form a more perfect union and establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity."

We declare that this republic can only endure as a free government while built upon the love of the whole people for each other and for the nation; that it cannot be pinned together by bayonets; that the civil war is over, and that every passion and resentment which grew out of it must die with it, and that we must be in fact, as we are in name, one united brotherhood.

Our country finds itself confronted by conditions for which there is no precedent in the history of the world. Our annual agricultural productions amount to billions of dollars in value, which must within a few weeks or months be exchanged for billions of dollars of commodities consumed in their production; the existing currency supply is wholly inadequate to make this exchange. The results are falling prices, the formation of combines and rings, the impoverishment of the producing class. We pledge ourselves that, if given power, we will labor to correct these evils by wise and reasonable legislation in accordance with the terms of our platform.

We believe that the powers of government—in other words, of the people—should be expanded (as in the case of the postal service) as rapidly and as far as the good sense of an intelligent people and the teachings of experience shall justify, to the end that oppression, injustice, and poverty shall eventually cease in the land.

While our sympathies as a party of reform are naturally upon the side of every proposition which will tend to make men intelligent, virtuous, and temperate, we nevertheless regard these questions, important as they are, as secondary to the great issues now pressing for solution, and upon which not only our individual prosperity, but the very existence of free institutions depend; and we ask all men to first help us to determine whether we are to have a republic to administer, before we differ as to the conditions upon which it is to be administered, believing that the forces of reform this day organized will never cease to move forward until every wrong is righted and equal rights and equal privileges securely established for all the men and women of this country. We declare, therefore—

UNION OF THE PEOPLE

1. That the union of the labor forces of the United States this day consummated shall be permanent and perpetual: may its spirit enter into all hearts for the salvation of the republic and the uplifting of mankind!

2. Wealth belongs to him who creates it, and every dollar taken from industry without an equivalent is robbery. "If any will not work, neither shall he eat." The interests of rural and civic labor are the same; their enemies are identical.

3. We believe that the time has come when the railroad corporations will either own the people or the people must own the railroads; and should the government enter upon the work of owning and managing all railroads, we should favor an amendment to the Constitution by which all persons engaged in the government service shall be

placed under a civil-service regulation of the most rigid character, so as to prevent the increase of the power of the national administration by the use of such additional government employees.

THE QUESTION OF FINANCE

We demand a national currency, safe, sound, and flexible, issued by the general government only, a full legal tender for all debts, public and private, and that without the use of banking corporations; a just, equitable, and efficient means of distribution direct to the people, at a tax not to exceed two per cent. per annum, to be provided as set forth in the sub-treasury plan of the Farmers' Alliance, or a better system; also, by payments in discharge of its obligations for public improvements.

We demand free and unlimited coinage of silver and gold at the present legal ratio of sixteen to one.

We demand that the amount of circulating medium be speedily increased to not less than $50 per capita.

We demand a graduated income-tax.

We believe that the money of the country should be kept as much as possible in the hands of the people; and hence we demand that all state and national issues shall be limited to the necessary expenses of the government, economically and honestly administered.

We demand that postal savings-banks be established by the government for the safe deposit of the earnings of the people and to facilitate exchange.

CONTROL OF TRANSPORTATION

Transportation being a means of exchange and a public necessity, the government should own and operate the railroads in the interest of the people.

The telegraph and telephone, like the post-office system, being a necessity for the transmission of news, should be owned and operated by the government in the interest of the people.

RECLAIMING THE LAND

The land, including all the natural sources of wealth, is the heritage of the people, and should not be monopolized for speculative purposes, and alien ownership of land should be prohibited. All land now held by railroads and other corporations in excess of their actual needs, and all lands now owned by aliens, should be reclaimed by the government and held for actual settlers only.

Resolved, 1. That we demand a free ballot and a fair count in all elections, and pledge ourselves to secure it to every legal voter, without federal intervention, through the adoption by the states of the unperverted Australian secret ballot system.

Resolved, 2. That the revenue derived from a graduated income-tax should be applied to the reduction of the burdens of taxation now levied upon the domestic industries of this country.

Resolved, 3. That we pledge our support to fair and liberal pensions to ex-Union soldiers and sailors.

Resolved, 4. That we condemn the fallacy of protecting American labor under the present system, which opens our ports to the pauper and criminal classes of the world and crowds out our wage-earners, and we denounce the present ineffective law against contract labor, and demand the further restriction of undesirable immigration.

Resolved, 5. That we cordially sympathize with the efforts of organized workingmen to shorten the hours of labor, and demand a rigid enforcement of the existing eight-hour law on government work, and ask that a penalty clause be added to the said law.

Resolved, 6. That we regard the maintenance of a large standing army of mercenaries, known as the Pinkerton system, as a menace to our liberties, and we demand its abolition; and we condemn the recent invasion of the Territory of Wyoming by the hired assassins of plutocracy, assisted by federal officers.

Resolved, 7. That we commend to the thoughtful consideration of the people and the reform press, the legislative system known as the initiative and referendum.

Resolved, 8. That we favor a constitutional provision limiting the office of President and Vice-President to one term, and providing for the election of senators of the United States by a direct vote of the people.

Resolved, 9. That we oppose any subsidy or national aid to any private corporation for any purpose.

BENJAMIN R. TILLMAN

In one sense, Otken's attack on the crop-lien system may be taken as an expression of the revolt against the dominant influence of the towns in Southern politics. Merchants were townsmen, by and large; they resisted the farmers' demand that rural interests be given greater consideration by state governments; and they permitted the Negroes to vote in order to keep the Southern white masses in subjection. In South Carolina, for example, though the up country had the bulk of the white voting population, the numerous small seaboard counties gave the low country a disproportionate political influence. State office was concentrated in the hands of the ex-Confederate leaders who had restored white rule in the seventies and whose leaders were becoming rich as a result of their alliance with Northern railroading and industrial interests.

A new force rose in opposition during the eighties. Men like Benjamin R. Tillman of South Carolina challenged the old leaders and organized the upland farmers to eliminate the Negro from politics and seize the reins of power for the white masses. In this way, white supremacy would be permanently assured in the South.

Benjamin Ryan Tillman (1847–1918) was the youngest son of a South Carolina family of moderate position. Youth and an abscessed eye had prevented Tillman's serving in the Confederate army but he proved his capacity for combat in the turbulencies of the late seventies. After a period of legal practice, Tillman attempted to break the local aristocracy's hold on the politics of his state; but low country preponderance at party conventions defeated him. Thenceforth, Tillman set himself the task of creating an organization of farmers strong enough to capture and hold the Democratic party of South Carolina.

By 1890, Tillman's Wool Hat Boys had elected him governor. In his new post, Tillman pushed for the reform program he had been advocating during the past decade. He organized a centralized tax administration; secured an increased royalty from the companies developing the South Carolina phosphate deposits; and diverted funds from an overstaffed State University to agricultural training schools and a normal school for girls. The great issue of Tillman's first administration, however, was his proposal for a convention to revise the State Constitution, reapportion the state's voting districts, and secure the disfranchisement of the Negro without imposing similar standards of literacy on white voters.

Tillman was returned to office in 1892 and obtained legislative consent for summoning a constitutional convention which would not be required to submit the results of its deliberations to the people. Though he was elected to the United States Senate in 1894, Tillman fought for his convention, succeeded in excluding Negroes from voting for its members, and helped carry the clauses that nullified the Fifteenth Amendment. By the inclusion of a socalled "understanding clause" in its new Constitution, South Carolina had perfected a device for keeping the Negroes away from the polls. By this means, white supremacy was finally reestablished in South Carolina—and in other Southern states as well (although Mississippi had been the first to act in 1890)—and the white masses, under the leadership frequently of ambitious and unscrupulous men, took control of the Democratic party. The new Constitution, which still governs South Carolina, was installed January 1, 1896.

The selection here reprinted is from the *Journal of Proceedings* of the South Carolina Constitutional Convention of 1895 (Columbia, S. C., 1895).

Journal of the Proceedings of the South Carolina Constitutional Convention

SENATOR TILLMAN: Mr President and Gentlemen of the Convention. . . . It has been well said that this is a momentous issue, that this Convention of the people of the State to deal with the question of suffrage will mark an epoch in our history. I may further say that the question of suffrage and its wise regulation is the sole cause of our being here. The prosperity, happiness and progress of this people depend upon its wise solution. The very life of the State is involved in the wisdom or the unwisdom of our action. Why do I say this? When the Southern Cross went down in battle and the hopes of the Southern Confederacy were laid in the grave of the "Lost Cause," when we had struggled for four years with a bravery and patriotism and self-sacrifice unparalleled in history for the right of self-government, and for our rights under the Constitution as we conceived and understood them, what came to pass? President Johnson appointed a Provisional Governor, and ordered a Constitutional Convention to be convened to prepare the way for the State of South Carolina to re-enter the Union. That Convention assembled and adopted a Constitution. Under it legislation was enacted; the "Black Code," of which we have heard so much, was part of that legislation. Whatever may be said as to that "Black Code," it gave the Black Republicans, Thad. Stevens and his gang, excuse for their reconstruction deviltry. It was the only pretense they wanted, because these hell hounds, actuated by hate for the Southern people, were determined upon degrading us to the lowest level possible, and they had right at hand an instrument which the most fertile imagination, if it had been given a thousand years to concoct a scheme of revenge, could not have surpassed it. It was the presence among us of our ex-slaves set free by the results of the war.

Actuated solely by the purpose to perpetuate the rule of the Republican party, and with the hellish purpose of venting their rage and hatred upon a conquered people, they passed the Reconstruction Acts, and came very near impeaching Johnson because he had been moving forward contrary to their will. And then they put in motion the forces of the army, which were already here to depose the civil government which we had established, to overthrow the fabric which we were trying to re-erect, and to put in its place the rule of the negro over the Anglo-Saxon. Canby, the Major General in charge of this department, issued his orders calling for the election of delegates to a Constitutional Convention. And in effect he said to the Southern white men: "Attend to your material interests, the army will take care of your government; your help is not wanted, nor will your interference be tolerated"—and the radical ring-streaked and striped carpet-bagger Convention of 1868 assembled. The Constitution which they gave us was submitted to the vote of the people—to the negroes, in fact. All our then leaders, without exception, took the position that this action on the part of Congress and the United States army was outside of the Constitution and must fall. They advised our Southern white men to remain at home and pay no attention to it; that it would drop of its own illegality; and the consequence was no white man participated in the election to ratify the Constitution. It was pushed through at the polls, guarded all over the State by bayonets, and we were placed under the rule of our ex-slaves. A Legislature was elected under that Constitution, and an ex-army officer, Robert K. Scott, was elected Governor. The State House was filled with the minions of Black Republicanism, officered and led by white thieves, who came here for the express purpose of getting rich at the expense of our impoverished and fallen people. . . .

Now, I have alluded to the fact of this villainy, anarchy, misrule and robbery, and I cannot, in any words I possess, paint it. There is no man on this floor living in the country who dared during that dark period to leave his fireside without dread that when he returned he would find some harm to his family; and he dared not go forth without being armed, fearful of robbery. The sky was lit almost every night by the glare of burning dwellings and gin houses. Our Courts of justice were filled with bribe-takers, and the Judges themselves were not free from bribery. How did it come about, and who must bear the blame? We are told the negroes didn't do it. "Oh, we didn't do it," they say. [Addressing the negro delegates]. You blindly followed and obeyed the orders of the Freedmen's Bureau and the Union League and ignored the appeals of your former masters, who treated you with kindness and furnished you with your daily bread. I myself can testify that appeal after appeal was made by me, and by almost every

white man in this State, with the negroes with whom he came in contact on his plantation: "Stop! come back! help us free ourselves from this burden!" But every one of you, almost up to 1876, blindly followed wherever these white thieves ordered. Was it negro government? The negroes furnished the ballots, and that is what we are dealing with. The negroes put the little pieces of paper in the box that gave the commission to these white scoundrels who were their leaders and the men who debauched them; and this must be our justification, our vindication and our excuse to the world that we are met in Convention openly, boldly, without any pretense of secrecy, to announce that it is our purpose, as far as we may, without coming in conflict with the United States Constitution, to put such safeguards around this ballot in future, to so restrict the suffrage and circumscribe it, that this infamy can never come about again.

The negroes were the tools of designing white men, I acknowledge—participators and willing tools. The poor, ignorant cotton field hand, who never reaped any advantage, nor saw anything except a pistol, blindly followed like sheep wherever their black and white leaders told them to go, voted unanimously every time for the Republican ticket during that dark period, and these results were achieved solely and wholly by reason of the ballot being in the hands of such cattle. Is the danger gone? No. How did we recover our liberty? By fraud and violence. We tried to overcome the thirty thousand majority by honest methods, which was a mathematical impossibility. After we had borne these indignities for eight years life became worthless under such conditions. Under the leadership and inspiration of Mart Gary—because he planned and brought about the Straightout movement of '76—in spite of the low country fighting on this floor against those who opposed putting Chamberlain forward as a compromise candidate—under his leadership and through his magnificent courage (for Edgefield alone gave us the excuse to claim the Governorship), we won the fight. We had a legal right by her majority, but then Grant's bayonets were here to prop Chamberlain in the Governor's chair. We were held in suspense from the meeting of the General Assembly in November until Hayes's title had been settled by the Electoral Commission in March. The whole State was like a powder magazine. The people had sworn to have their liberties or to die.

How did we bring it about? Every white man sunk his personal feelings and ambitions. The white people of the State, illustrating our glorious motto, "Ready with their lives and fortunes," came together as one. By fraud and violence, if you please, we threw it off. In 1878 we had to resort to more fraud and violence, and so again in 1880. Then the Registration Law and eight-box system was evolved from the superior intelligence of the white man to check and control this surging, muddy stream of ignorance and to tell it to back, and since then we have carried our elections without resort to any illegal methods, simply because the whites were united. If we were to remain united it would still be desirable that we should guard against the possibility of this flood, which is now dammed up, breaking loose; or, like the viper that is asleep, only to be warmed into life again and sting us whenever some more white rascals, native or foreign, come here and mobilize the ignorant blacks. Therefore, the only thing we can do as patriots and as statesmen is to take from them every ballot that we can under the laws of our national government.

I read a moment ago from the report of the Committee that good government can only rest on intelligence and good morals. I will go further and say that good government and the very life of republics rest on virtue, patriotism and intelligence. The chief amongst the three is intelligence. It has been said, and it must be apparent to any one who thinks, that even if we restrict the suffrage as we propose, that with 40,000 Conservatives and 40,000 Reformers, divided and striving for mastery, and 15,000 illiterate white men disfranchised, that the negroes are still here in sufficient numbers to control us. Are we so besotted, so forgetful and oblivious of the record which I have just read to you? Have our memories grown so callous that we as a white race—kinsmen, brothers, common inheritors of the glorious past and of the freedom transmitted to us by our forefathers—have we got to the point where we cannot unite as brothers, throwing aside the petty bickerings and animosities that have been engendered in the last five years, and, without regard to personal ambition or partisan advantage to anybody, can we not provide so that we will not have to appeal to these people as arbiters of our fate? Can we not rise to the necessities of the occasion and put into this Constitution such an Article in reference to suffrage as will guarantee, as far as the law can guarantee, to future generations that they shall have the blessings of Anglo-Saxon civilization and liberty in this State? How pitiable, how puerile, how ineffably, unutterably contemptible appear the personal ambitions and petty spites of men alongside of this grand and glorious purpose!

REPORTS OF STANDING COMMITTEES

MR. B. R. TILLMAN, for the Committee on Suffrage, submitted the following report, which was read the first time and ordered for consideration to-morrow:

REPORT OF THE COMMITTEE ON RIGHT OF SUFFRAGE

To the President and Members of the Convention:

The Committee on Right of Suffrage respectfully report the accompanying document, consisting of fifteen Sections, and recommend its adoption as Article — of the Constitution.

All of which is respectfully submitted.

B. R. TILLMAN, Chairman.

Article —. Right of Suffrage

Section 1. All elections by the people shall be by ballot.

Section 2. Every qualified elector shall be eligible to any office to be voted for, unless disqualified by age. But no person shall hold two offices of honor or profit at the same time except officers in the militia and Notaries Public.

Section 3. Every male citizen of the United States, twenty-one years of age and upwards, not laboring under the disabilities named in this Constitution, and possessing the qualifications required by it, shall be a legal elector.

Section 4. The qualifications for suffrage shall be as follows:

(*a.*) Residence in the State for two years, in the County one year, in the election district in which the elector offers to vote four months, and the payment of a poll tax six months before any election; *Provided, however*, That Ministers of the Gospel in charge of an organized church shall be entitled to vote after six months' residence in the State, if otherwise qualified.

(*b.*) Registration, which shall provide for the enrollmont of every elector once in ten years.

(*c.*) The person applying for registration must be able to read and write any Section of the Constitution, or must show that he owns and pays taxes on $300 worth of property in this State: *Provided*, That at the first registration under this Constitution, and up to January 1st, 1898, all male persons of voting age who can read a clause in this Constitution, or understand or explain it when read to them by the registration officer, shall be entitled to register and become electors. A separate record of all illiterate persons thus registered, sworn to by the registration officer shall be filed, one copy with the Clerk of Court, and one in the office of the Secretary of State, on or before January 1st, 1898, and such persons shall remain during life qualified electors, unless disqualified by the provisions of Section 6 of this Article. The certificate of the Clerk of Court or Secretary of State shall be sufficient evidence to establish the right of said class of citizens to registration and the franchise.

(*d*). Any person who shall apply for registration after January 1st, 1898, if otherwise qualified, may be registered: *Provided*, That he can both read and write any Section of this Constitution, or can show that he owns and has paid taxes during the previous year on property in this State assessed at $300 or more. . . .

Section 6. The following persons are disqualified from being registered or voting:

First, persons convicted of burglary, theft, arson, obtaining goods or money under false pretenses, perjury, forgery, robbery, bribery, adultery, embezzlement, bigamy, or crimes against the election laws: *Provided*, That the pardon of the Governor shall remove such disqualifications.

Second, persons who are idiots, insane, paupers supported at the public expense, and persons confined in any public prison.

Section 7. For the purpose of voting no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States, nor while engaged in the navigation of the waters of this State or of the United States or of the high seas.

Section 8. The General Assembly shall provide by law for the registration of all qualified electors and shall prescribe the manner of holding elections and of ascertaining the results of the same: *Provided*, That each of the two political parties casting the highest number of votes at the preceding election shall have had representation on the Board of Managers at each precinct and on the Board of County Canvassers in each County: *Provided*, At the first registration under this Constitution and until the first of January, 1898, the registration shall be conducted by a Board of three to be appointed by the Governor, or by and with the advice and consent of the Senate.

Section 9. The several Counties in the State shall be divided into election districts, with one precinct in each of the same, at which alone the voter registered for that precinct can cast his ballot: *Provided*, That a voter may be transferred from one election district to another.

Section 10. The General Assembly shall provide by law for the holding of party primary elections and punishing fraud at the same. . . .

HENRY CABOT LODGE

HENRY CABOT LODGE (1850–1924) is one of the numerous instances which might be cited against the contention that, in America, the "better element"—men of superior education and social status—remains aloof from politics. A member of the merchant aristocracy of Massachusetts, Lodge turned from the law to scholarship and journalism. In 1883, Lodge had his first success in Massachusetts politics when he fought Ben Butler's effort to be elected Governor. As a young reformer, Lodge found it hard to support Blaine the next year, but party regularity finally triumphed and he remained silent. The Massachusetts Republicans displayed their appreciation by helping send him to the House in 1886. There, Lodge championed civil service reform and Negro rights, urging that federal troops be stationed at the polls to protect the Negro franchise at federal elections. The measure in which Lodge maintained most continuous interest in this period, however, was his bill for imposing a literacy test on those who wished to enter the United States as immigrants.

For immigration was once again becoming a matter of serious interest to many Americans. The nativist movement of the middle thirties and the fifties had been concerned with the danger to American institutions in the migration from Roman Catholic Ireland. In the nineties, opposition to immigration rested on rather different grounds: the organized workers were worrying about the competition of imported cheap European labor; while sociologists were calling attention to the dilution and, indeed, extermination of the country's original "racial stock."

Until 1880, immigrants had come from northern and western Europe, from nations which resembled the United States in religion and the practice of constitutional government. The decade of the eighties saw the first great wave of immigration from southern and eastern Europe. Italians, Slavs, and Russian Jews replaced English, German, and Scandinavian immigrants. The newcomers had lower standards of living than native workers; their religious and political backgrounds differed markedly from those which had contributed to form the existing American pattern. Though most of the new immigrants were peasants from southern Italy and the Slavic lands of Austria-Hungary, they gathered in the slums of seaboard cities and industrial towns. Here they were exploited by employers and contractors (frequently their own countrymen) and were used to break strikes and to maintain corrupt local political machines in power.

Lodge had been aware of these conditions since 1890, when he wrote an article on the new immigration in the *North American Review*. His interest lay in maintaining the "racial" purity of America rather than in safeguarding the gains of American labor or protecting the immigrant against the exactions of steamship company agents and labor contractors. These last were operating in defiance of the law of 1882, which had sought to put an end to the importation of contract labor.

It was in a House discussion of proposals to improve enforcement of the act of 1882 that Lodge brought forth his measure to require that immigrants demonstrate their ability to read and write some language. When Lodge was chosen Senator from Massachusetts, in 1893, he introduced his bill in the upper house. And on March 16, 1896, he made a long speech in the Senate which exalted the Anglo-Saxon "race" and its mission and called upon Congress to preserve the country against the new version of the barbarian invasion.

The selection here reprinted is taken from the *Congressional Record* of that date (54th Congress, 1st Session).

Immigration Restriction

BY HENRY CABOT LODGE

MR. LODGE. Mr. President, this bill is intended to amend the existing law so as to restrict still further immigration to the United States. Paupers, diseased persons, convicts, and contract laborers are now excluded. By this bill it is proposed to make a new class of excluded immigrants and add to those which have just been named the totally ignorant. The bill is of the simplest kind. The first section excludes from the country all immigrants who can not read and write either their own or some other language. The second section merely provides a simple test for determining whether the immigrant can read or write, and is added to the bill so as to define the duties of the immigrant inspectors, and to assure to all immigrants alike perfect justice and a fair test of their knowledge.

Two questions arise in connection with this bill. The first is as to the merits of this particular form of restriction; the second as to the general policy of restricting immigration at all. I desire to discuss briefly these two questions in the order in which I have stated them. The smaller question as to the merits of this particular bill comes first. The existing laws of the United States now exclude, as I have said, certain classes of immigrants who, it is universally agreed, would be most undesirable additions to our population. These exclusions have been enforced and the results have been beneficial, but the excluded classes are extremely limited and do not by any means cover all or even any considerable part of the immigrants whose presence here is undesirable or injurious, nor do they have any adequate effect in properly reducing the great body of immigration to this country. There can be no doubt that there is a very earnest desire on the part of the American people to restrict further and much more extensively than has yet been done foreign immigration to the United States. The question before the committee was how this could best be done; that is, by what method the largest number of undesirable immigrants and the smallest possible number of desirable immigrants could be shut out. Three methods of obtaining this further restriction have been widely discussed of late years and in various forms have been brought to the attention of Congress. The first was the imposition of a capitation tax on all immigrants. There can be no doubt as to the effectiveness of this method if the tax is made sufficiently heavy. But although exclusion by a tax would be thorough, it would be undiscriminating, and your committee did not feel that the time had yet come for its application. The second scheme was to restrict immigration by requiring consular certification of immigrants. This plan has been much advocated, and if it were possible to carry it out thoroughly and to add very largely to the number of our consuls in order to do so, it would no doubt be effective and beneficial. But the committee was satisfied that consular certification was, under existing circumstances, impractical; that the necessary machinery could not be provided; that it would lead to many serious questions with foreign governments, and that it could not be properly and justly enforced. . . .

The third method was to exclude all immigrants who could neither read nor write, and this is the plan which was adopted by the committee and which is embodied in this bill. In their report the committee have shown by statistics, which have been collected and tabulated with great care, the emigrants who would be affected by this illiteracy test. It is not necessary for me here to do more than summarize the results of the committee's investigation, which have been set forth fully in their report. It is found, in the first place, that the illiteracy test will bear most heavily upon the Italians, Russians, Poles, Hungarians, Greeks, and Asiatics, and very lightly, or not at all, upon English-speaking emigrants or Germans, Scandinavians, and French. In other words, the races most affected by the illiteracy test are those whose emigration to this country has begun within the last twenty years and swelled rapidly to enormous proportions, races with which the English-speaking people have never hitherto assimilated, and who are most alien to the great body of the people of the United States. On the other hand, immigrants from the United Kingdom and of those races which are most closely related to the English-speaking people, and who with the English-speaking people themselves founded the American colonies and built up the United States, are affected but little by the proposed test. These races would not be prevented by this law from coming to this country in practically undiminished numbers. These kindred races also are those who alone go to the Western and Southern States, where immigrants are desired, and take up our unoccupied lands. The races which would suffer most seriously by exclusion under the proposed bill furnish the immigrants who do not go to the

West or South, where immigration is needed, but who remain on the Atlantic Seaboard, where immigration is not needed and where their presence is most injurious and undesirable.

The statistics prepared by the committee show further that the immigrants excluded by the illiteracy test are those who remain for the most part in congested masses in our great cities. They furnish, as other tables show, a large proportion of the population of the slums. The committee's report proves that illiteracy runs parallel with the slum population, with criminals, paupers, and juvenile delinquents of foreign birth or parentage, whose percentage is out of all proportion to their share of the total population when compared with the percentage of the same classes among the native born. It also appears from investigations which have been made that the immigrants who would be shut out by the illiteracy test are those who bring least money to the country and come most quickly upon private or public charity for support. . . .

These facts prove to demonstration that the exclusion of immigrants unable to read or write, as proposed by this bill, will operate against the most undesirable and harmful part of our present immigration and shut out elements which no thoughtful or patriotic man can wish to see multiplied among the people of the United States. The report of the committee also proves that this bill meets the great requirement of all legislation of this character in excluding the greatest proportion possible of thoroughly undesirable and dangerous immigrants and the smallest proportion of immigrants who are unobjectionable.

I have said enough to show what the effects of this bill would be, and that if enacted into law it would be fair in its operation and highly beneficial in its results. It now remains for me to discuss the second and larger question, as to the advisability of restricting immigration at all. This is a subject of the greatest magnitude and the most far-reaching importance. It has two sides, the economic and the social. As to the former, but few words are necessary. There is no one thing which does so much to bring about a reduction of wages and to injure the American wage earner as the unlimited introduction of cheap foreign labor through unrestricted immigration. Statistics show that the change in the race character of our immigration has been accompanied by a corresponding decline in its quality. The number of skilled mechanics and of persons trained to some occupation or pursuit has fallen off, while the number of those without occupation or training, that is, who are totally unskilled, has risen in our recent immigration to enormous proportions. This low, unskilled labor is the most deadly enemy of the American wage earner, and does more than anything else toward lowering his wages and forcing down his standard of living. An attempt was made, with the general assent of both political parties, to meet this crying evil some years ago by the passage of what are known as the contract-labor laws. That legislation was excellent in intention, but has proved of but little value in practice. It has checked to a certain extent the introduction of cheap, low-class labor in large masses into the United States. It has made it a little more difficult for such labor to come here, but the labor of this class continues to come, even if not in the same way, and the total amount of it has not been materially reduced. Even if the contract-labor laws were enforced intelligently and thoroughly, there is no reason to suppose that they would have any adequate effect in checking the evil which they were designed to stop. It is perfectly clear after the experience of several years that the only relief which can come to the American wage earner from the competition of low-class immigrant labor must be by general laws restricting the total amount of immigration and framed in such a way as to affect most strongly those elements of the immigration which furnish the low, unskilled, and ignorant foreign labor. . . .

I now come to the aspect of this question which is graver and more serious than any other. The injury of unrestricted immigration to American wages and American standards of living is sufficiently plain and is bad enough, but the danger which this immigration threatens to the quality of our citizenship is far worse. That which it concerns us to know and that which is more vital to us as a people than all possible questions of tariff or currency is whether the quality of our citizenship is endangered by the present course and character of immigration to the United States. To determine this question intelligently we must look into the history of our race. . . .

For practical purposes in considering a question of race and in dealing with the civilized peoples of western Europe and of America there is no such thing as a race of original purity according to the divisions of ethnical science. In considering the practical problems of the present time we can deal only with artificial races—that is, races like the English-speaking people, the French, or the Germans—who have been developed as races by the operation during a long period of time of climatic influences, wars, migrations, conquests, and industrial development. To the philologist and the ethnologist it is of great importance to de-

termine the ethnical divisions of mankind in the earliest historic times. To the scientific modern historian, to the student of social phenomena, and to the statesman alike the early ethnic divisions are of little consequence, but the sharply marked race divisions which have been gradually developed by the conditions and events of the last thousand years are absolutely vital. It is by these conditions and events that the races or nations which to-day govern the world have been produced, and it is their characteristics which it is important for us to understand.

How, then, has the English-speaking race, which to-day controls so large a part of the earth's surface, been formed? Great Britain and Ireland at the time of the Roman conquest were populated by Celtic tribes. After the downfall of the Roman Empire these tribes remained in possession of the islands with probably but a very slight infusion of Latin blood. Then came what is commonly known as the Saxon invasion. Certain North German tribes, own brothers to those other tribes which swept southward and westward over the whole Roman Empire, crossed the English Channel and landed in the corner of England known as the Isle of Thanet. They were hard fighters, pagans, and adventurers. They swept over the whole of England and the Lowlands of Scotland. A few British words like basket, relating to domestic employments, indicate that only women of the conquered race, and not many of those, were spared. The extermination was fierce and thorough. The native Celts were driven back into the Highlands of Scotland and to the edge of the sea in Cornwall and Wales, while all the rest of the land became Saxon.

The conquerors established themselves in their new country, were converted to Christianity, and began to advance in civilization. Then came a fresh wave from the Germanic tribes. This time it was the Danes. They were of the same blood as the Saxons, and the two kindred races fought hard for the possession of England until the last comers prevailed and their chiefs reached the throne. Then in 1066 there was another invasion, this time from the shores of France. But the new invaders and conquerors were not Frenchmen. As Carlyle says, they were only Saxons who spoke French. A hundred years before these Normans, or Northmen, northernmost of all the Germanic tribes, had descended from their land of snow and ice upon Europe. They were the most remarkable of all the people who poured out of the Germanic forests. They came upon Europe in their long, low ships, a set of fighting pirates and buccaneers, and yet these same pirates brought with them out of the darkness and cold of the north a remarkable literature and a strange and poetic mythology. Wherever they went they conquered, and wherever they stopped they set up for themselves dukedoms, principalities, and kingdoms. To them we owe the marvels of Gothic architecture, for it was they who were the great builders and architects of mediæval Europe. They were great military engineers as well and revived the art of fortified defense, which had been lost to the world. They were great statesmen and great generals, and they had only been in Normandy about a hundred years when they crossed the English Channel, conquered the country, and gave to England for many generations to come her kings and nobles. But the Normans in their turn were absorbed or blended with the great mass of the Danes and the still earlier Saxons. . . .

When the Reformation came this work was pretty nearly done, and after that great movement had struck off the shackles from the human mind the English-speaking people were ready to come forward and begin to play their part in a world where the despotism of the church had been broken, and where political despotism was about to enter on its great struggle against the forces of freedom. . . .

This period, when the work of centuries which had resulted in the making of the English people was complete, and when they were entering upon their career of world conquest, is of peculiar interest to us. Then it was that from the England of Shakespeare and Bacon and Raleigh, and later from the England of Pym and Hampden and Cromwell and Milton, Englishmen fared forth across the great ocean to the North American Continent. The first Englishmen to come here settled on the James River, and there laid the foundation of the great State of Virginia. The next landed much farther to the north. . . .

Such, then, briefly, were the people composing the colonies when we faced England in the war for independence. It will be observed that with the exception of the Huguenot French, who formed but a small percentage of the total population, the people of the thirteen colonies were all of the same original race stocks. The Dutch, the Swedes, and the Germans simply blended again with the English-speaking people, who like them were descended from the Germanic tribes whom Cæsar fought and Tacitus described.

During the present century, down to 1875, there have been three large migrations to this country in addition to the always steady stream from Great Britain; one came from Ireland about the middle of the century, and somewhat later one

from Germany and one from Scandinavia, in which is included Sweden, Denmark, and Norway. The Irish, although of a different race stock originally, have been closely associated with the English-speaking people for nearly a thousand years. They speak the same language, and during that long period the two races have lived side by side, and to some extent intermarried. The Germans and Scandinavians are again people of the same race stock as the English who founded and built up the colonies. During this century, down to 1875, then, as in the two which preceded it, there had been scarcely any immigration to this country, except from kindred or allied races, and no other, which was sufficiently numerous to have produced any effect on the national characteristics, or to be taken into account here. Since 1875, however, there has been a great change. While the people who for two hundred and fifty years have been migrating to America have continued to furnish large numbers of immigrants to the United States, other races of totally different race origin, with whom the English-speaking people have never hitherto been assimilated or brought in contact, have suddenly begun to immigrate to the United States in large numbers. Russians, Hungarians, Poles, Bohemians, Italians, Greeks, and even Asiatics, whose immigration to America was almost unknown twenty years ago, have during the last twenty years poured in in steadily increasing numbers, until now they nearly equal the immigration of those races kindred in blood or speech, or both, by whom the United States has hitherto been built up and the American people formed.

This momentous fact is the one which confronts us to-day, and if continued, it carries with it future consequences far deeper than any other event of our times. It involves, in a word, nothing less than the possibility of a great and perilous change in the very fabric of our race. The English-speaking race, as I have shown, has been made slowly during the centuries. Nothing has happened thus far to radically change it here. In the United States, after allowing for the variations produced by new climatic influences and changed conditions of life and of political institutions, it is still in the great essentials fundamentally the same race. The additions in this country until the present time have been from kindred people or from those with whom we have been long allied and who speak the same language. By those who look at this question superficially we hear it often said that the English-speaking people, especially in America, are a mixture of races. Analysis shows that the actual mixture of blood in the English-speaking race is very small, and that while the English-speaking people are derived through different channels, no doubt, there is among them none the less an overwhelming preponderance of the same race stock, that of the great Germanic tribes who reached from Norway to the Alps. They have been welded together by more than a thousand years of wars, conquests, migrations, and struggles, both at home and abroad, and in so doing they have attained a fixity and definiteness of national character unknown to any other people. . . .

It being admitted, therefore, that a historic race of fixed type has been developed, it remains to consider what this means, what a race is, and what a change would portend. That which identifies a race and sets it apart from others is not to be found merely or ultimately in its physical appearance, its institutions, its laws, its literature, or even its language. These are in the last analysis only the expression or the evidence of race. The achievements of the intellect pass easily from land to land and from people to people. The telephone, invented but yesterday, is used to-day in China, in Australia, or in South Africa as freely as in the United States. The book which the press to-day gives to the world in English is scattered to-morrow throughout the earth in every tongue, and the thoughts of the writer become the property of mankind. You can take a Hindoo and give him the highest education the world can afford. He has a keen intelligence. He will absorb the learning of Oxford, he will acquire the manners and habits of England, he will sit in the British Parliament, but you can not make him an Englishman. Yet he, like his conqueror, is of the great Indo-European family. But it has taken six thousand years and more to create the differences which exist between them. You can not efface those differences thus made, by education in a single life, because they do not rest upon the intellect. What, then, is this matter of race which separates the Englishman from the Hindoo and the American from the Indian? It is something deeper and more fundamental than anything which concerns the intellect. We all know it instinctively, although it is so impalpable that we can scarcely define it, and yet is so deeply marked that even the physiological differences between the Negro, the Mongol, and the Caucasian are not more persistent or more obvious. When we speak of a race, then, we do not mean its expressions in art or in language, or its achievements in knowledge. We mean the moral and intellectual characters, which in their association make the soul of a race, and which represent the product of all its

past, the inheritance of all its ancestors, and the motives of all its conduct. The men of each race possess an indestructible stock of ideas, traditions, sentiments, modes of thought, an unconscious inheritance from their ancestors, upon which argument has no effect. What makes a race are their mental and, above all, their moral characteristics, the slow growth and accumulation of centuries of toil and conflict. These are the qualities which determine their social efficiency as a people, which make one race rise and another fall, which we draw out of a dim past through many generations of ancestors, about which we can not argue, but in which we blindly believe, and which guide us in our short-lived generation as they have guided the race itself across the centuries. . . .

Such achievements as M. Le Bon credits us with are due to the qualities of the American people, whom he, as a man of science looking below the surface, rightly describes as homogeneous. Those qualities are moral far more than intellectual, and it is on the moral qualities of the English-speaking race that our history, our victories, and all our future rest. There is only one way in which you can lower those qualities or weaken those characteristics, and that is by breeding them out. If a lower race mixes with a higher in sufficient numbers, history teaches us that the lower race will prevail. The lower race will absorb the higher, not the higher the lower, when the two strains approach equality in numbers. In other words, there is a limit to the capacity of any race for assimilating and elevating an inferior race, and when you begin to pour in in unlimited numbers people of alien or lower races of less social efficiency and less moral force, you are running the most frightful risk that any people can run. The lowering of a great race means not only its own decline but that of human civilization. M. Le Bon sees no danger to us in immigration, and his reason for this view is one of the most interesting things he says. He declares that the people of the United States will never be injured by immigration, because the moment they see the peril the great race instinct will assert itself and shut the immigration out. The reports of the Treasury for the last fifteen years show that the peril is at hand. I trust that the prediction of science is true and that the unerring instinct of the race will shut the danger out, as it closed the door upon the coming of the Chinese. . . .

Mr. President, more precious even than forms of government are the mental and moral qualities which make what we call our race. While those stand unimpaired all is safe. When those decline all is imperiled. They are exposed to but a single danger, and that is by changing the quality of our race and citizenship through the wholesale infusion of races whose traditions and inheritances, whose thoughts and whose beliefs are wholly alien to ours and with whom we have never assimilated or even been associated in the past. The danger has begun. It is small as yet, comparatively speaking, but it is large enough to warn us to act while there is yet time and while it can be done easily and efficiently. There lies the peril at the portals of our land; there is pressing in the tide of unrestricted immigration. The time has certainly come, if not to stop, at least to check, to sift, and to restrict those immigrants. In careless strength, with generous hand, we have kept our gates wide open to all the world. If we do not close them, we should at least place sentinels beside them to challenge those who would pass through. The gates which admit men to the United States and to citizenship in the great Republic should no longer be left unguarded.

JUSTICE BREWER

THE RAILROAD BROTHERHOODS, which had been denounced as "public enemies" during the seventies, had subsided into respectability by 1893. Contented with unionizing only the four operating crafts, the Brotherhoods made no effort to reach other groups of railroad workers; indeed, one of their leaders asserted that the Brotherhood of Locomotive Engineers was not a labor organization. Maintenance-of-way and shop employees had attempted to organize, however, and in the eighties, when the Knights of Labor was flourishing, they had made brief gains; but all of these were lost when the Southwest strike failed in 1886. Five years later, Eugene V. Debs (1855–1926) left his post as secretary of the Brotherhood of Locomotive Firemen and helped organize the American Railway Union, which included workers in all branches of railroading outside the Brotherhoods. The new union was meeting with some success when its participation in the Pullman strike of 1894 destroyed it.

At Pullman, in Illinois, the inventor of the modern sleeping car had erected a "model" town in which almost all the social services were furnished—and owned—by the Pullman Company. In 1894, the effects of the previous year's depression reduced the earnings of the Pullman Company and a wage cut was ordered. When the Pullman workers refused to accept the cut, they were evicted from the company's houses, and went on strike. They appealed to the American Railway Union for help.

Against Debs's counsel, the railwaymen decided to refuse to handle Pullman cars. Since the railroads would not allow the Pullmans to be uncoupled, train service halted. Before President Cleveland had sent troops into Illinois to keep the mails moving, however, the federal courts had acted to free transport by issuing an injunction against the strikers.

It was for violation of this writ that Debs was declared guilty of contempt of court and it is his petition against that sentence which is denied in this decision of the Supreme Court. The use of injunctions in railway labor disputes was no novelty, for financial difficulties had thrown a sufficient number of railroads into federal court receiverships to make strikes against them a matter of equity jurisdiction. The decision in the Debs case set the issuance of injunctions on broader ground, however. The court did not even rely on conspiracy under the Sherman Anti-Trust Law, as it was to do in other decisions limiting labor's weapons. The court based its judgment on the sovereignty of the United States within its sphere of government. Since interstate commerce is to be regulated by the Federal government, the United States may remove all obstacles to the passage of commerce and the mails. To carry out that purpose, the government may use injunctions even though the writ is a civil process and the acts complained of are criminal. The injunction was properly issued, in this instance, said the Supreme Court; hence the Circuit Court might punish for contempt without review of its findings or resort to habeas corpus. It was this intervention of the Supreme Court on the side of property rights—plus its decisions in the Income Tax Law and the Sugar Trust cases in the same year—that made it so unpopular and led to its condemnation by the Democratic party in 1896.

The selection here reprinted is from 158 U.S. 564 (1895). The opinion was written by Justice Brewer.

Opinion of the Court In Re Debs

BY JUSTICE BREWER

. . . THAT THE BILL filed in this case alleged special facts calling for the exercise of all the powers of the court is not open to question. The picture drawn in it of the vast interests involved, not merely of the city of Chicago and the State of Illinois, but of all the States, and the general confusion into which the interstate commerce of the country was thrown; the forcible interference with that commerce; the attempted exercise by individuals of powers belonging only to government, and the threatened continuance of such invasions of public right, presented a condition of affairs which called for the fullest exercise of all the powers of the courts. If ever there was a special exigency, one which demanded that the court should do all that courts can do, it was disclosed by this bill, and we need not turn to the public history of the day, which only reaffirms with clearest emphasis all its allegations.

The difference between a public nuisance and a private nuisance is that the one affects the people at large and the other simply the individual. The quality of the wrong is the same, and the jurisdiction of the courts over them rests upon the same principles and goes to the same extent. Of course, circumstances may exist in one case, which do not in another, to induce the court to interfere or to refuse to interfere by injunction, but the jurisdiction, the power to interfere, exists in all cases of nuisance. True, many more suits are brought by individuals than by the public to enjoin nuisances, but there are two reasons for this. First, the instances are more numerous of private than of public nuisances; and, second,

often that which is in fact a public nuisance is restrained at the suit of a private individual, whose right to relief arises because of a special injury resulting therefrom. . . .

The law is full of instances in which the same act may give rise to a civil action and a criminal prosecution. An assault with intent to kill may be punished criminally, under an indictment therefor, or will support a civil action for damages, and the same is true of all other offences which cause injury to person or property. In such cases the jurisdiction of the civil court is invoked, not to enforce the criminal law and punish the wrongdoer, but to compensate the injured party for the damages which he or his property has suffered, and it is no defence to the civil action that the same act by the defendant exposes him also to indictment and punishment in a court of criminal jurisdiction. So here, the acts of the defendants may or may not have been violations of the criminal law. If they were, that matter is for inquiry in other proceedings. The complaint made against them in this is of disobedience to an order of a civil court, made for the protection of property and the security of rights. If any criminal prosecution be brought against them for the criminal offences alleged in the bill of complaint, of derailing and wrecking engines and trains, assaulting and disabling employés of the railroad companies, it will be no defence to such prosecution that they disobeyed the orders of injunction served upon them and have been punished for such disobedience.

Nor is there in this any invasion of the constitutional right of trial by jury. We fully agree with counsel that "it matters not what form the attempt to deny constitutional right may take. It is vain and ineffectual, and must be so declared by the courts," and we reaffirm the declaration made for the court by Mr. Justice Bradley in *Boyd* v. *United States*, 116 U. S. 616, 635, that "it is the duty of courts to be watchful for the constitutional rights of the citizen, and against any stealthy encroachments thereon. Their motto should be *obsta principiis*." But the power of a court to make an order carries with it the equal power to punish for a disobedience of that order, and the inquiry as to the question of disobedience has been, from time immemorial, the special function of the court. And this is no technical rule. In order that a court may compel obedience to its orders it must have the right to inquire whether there has been any disobedience thereof. To submit the question of disobedience to another tribunal, be it a jury or another court, would operate to deprive the proceeding of half its efficiency. . . .

In brief, a court, enforcing obedience to its orders by proceedings for contempt, is not executing the criminal laws of the land, but only securing to suitors the rights which it has adjudged them entitled to.

Further, it is said by counsel in their brief:

"No case can be cited where such a bill in behalf of the sovereign has been entertained against riot and mob violence, though occurring on the highway. It is not such fitful and temporary obstruction that constitutes a nuisance. The strong hand of executive power is required to deal with such lawless demonstrations.

"The courts should stand aloof from them and not invade executive prerogative, nor even at the behest or request of the executive travel out of the beaten path of well-settled judicial authority. A mob cannot be suppressed by injunction; nor can its leaders be tried, convicted, and sentenced in equity.

"It is too great a strain upon the judicial branch of the government to impose this essentially executive and military power upon courts of chancery."

We do not perceive that this argument questions the jurisdiction of the court, but only the expediency of the action of the government in applying for its process. It surely cannot be seriously contended that the court has jurisdiction to enjoin the obstruction of a highway by one person, but that its jurisdiction ceases when the obstruction is by a hundred persons. It may be true, as suggested, that in the excitement of passion a mob will pay little heed to processes issued from the courts, and it may be, as said by counsel in argument, that it would savor somewhat of the puerile and ridiculous to have read a writ of injunction to Lee's army during the late civil war. It is doubtless true that *inter arma leges silent*, and in the throes of rebellion or revolution the processes of civil courts are of little avail, for the power of the courts rests on the general support of the people and their recognition of the fact that peaceful remedies are the true resort for the correction of wrongs. But does not counsel's argument imply too much? Is it to be assumed that these defendants were conducting a rebellion or inaugurating a revolution, and that they and their associates were thus placing themselves beyond the reach of the civil process of the courts? We find in the opinion of the Circuit Court a quotation from the testimony given by one of the defendents before the United States Strike Commission, which is sufficient answer to this suggestion:

"As soon as the employés found that we were arrested, and taken from the scene of action, they became demoralized, and that ended the strike. It was not the soldiers that ended the strike. It was not the old brotherhoods that ended the strike. It was simply the United States courts that ended the strike. Our men were in a position that never would have been shaken, under any circumstances, if we had been permitted to remain upon the field among them. Once we were taken from the scene of action, and restrained from sending telegrams or issuing orders or answering questions, then the minions of the corporations would be put to work. . . . Our headquarters were temporarily demoralized and abandoned, and we could not answer any messages. The men went back to work, and the ranks were broken, and the strike was broken up, . . . not by the army, and not by any other power, but simply and solely by the action of the United States courts in restraining us from discharging our duties as officers and representatives of our employés."

Whatever any single individual may have thought or planned, the great body of those who were engaged in these transactions contemplated neither rebellion nor revolution, and when in the due order of legal proceedings the question of right and wrong was submitted to the courts, and by them decided, they unhesitatingly yielded to their decisions. The outcome, by the very testimony of the defendants, attests the wisdom of the course pursued by the government, and that it was well not to oppose force simply by force, but to invoke the jurisdiction and judgment of those tribunals to whom by the Constitution and in accordance with the settled conviction of all citizens is committed the determination of questions of right and wrong between individuals, masses, and States.

It must be borne in mind that this bill was not simply to enjoin a mob and mob violence. It was not a bill to command a keeping of the peace; much less was its purport to restrain the defendants from abandoning whatever employment they were engaged in. The right of any laborer, or any number of laborers, to quit work was not challenged. The scope and purpose of the bill was only to restrain forcible obstructions of the highways along which interstate commerce travels and the mails are carried. And the facts set forth at length are only those facts which tended to show that the defendants were engaged in such obstructions.

A most earnest and eloquent appeal was made to us in eulogy of the heroic spirit of those who threw up their employment, and gave up their means of earning a livelihood, not in defence of their own rights, but in sympathy for and to assist others whom they believed to be wronged. We yield to none in our admiration of any act of heroism or self-sacrifice, but we may be permitted to add that it is a lesson which cannot be learned too soon or too thoroughly that under this government of and by the people the means of redress of all wrongs are through the courts and at the ballot-box, and that no wrong, real or fancied, carries with it legal warrant to invite as a means of redress the coöperation of a mob, with its accompanying acts of violence.

We have given to this case the most careful and anxious attention, for we realize that it touches closely questions of supreme importance to the people of this country. Summing up our conclusions, we hold that the government of the United States is one having jurisdiction over every foot of soil within its territory, and acting directly upon each citizen; that while it is a government of enumerated powers, it has within the limits of those powers all the attributes of sovereignty; that to it is committed power over interstate commerce and the transmission of the mail; that the powers thus conferred upon the national government are not dormant, but have been assumed and put into practical exercise by the legislation of Congress; that in the exercise of those powers it is competent for the nation to remove all obstructions upon highways, natural or artificial, to the passage of interstate commerce or the carrying of the mail; that while it may be competent for the government (through the executive branch and in the use of the entire executive power of the nation) to forcibly remove all such obstructions, it is equally within its competency to appeal to the civil courts for an inquiry and determination as to the existence and character of any alleged obstructions, and if such are found to exist, or threaten to occur, to invoke the powers of those courts to remove or restrain such obstructions; that the jurisdiction of courts to interfere in such matters by injunction is one recognized from ancient times and by indubitable authority; that such jurisdiction is not ousted by the fact that the obstructions are accompanied by or consist of acts in themselves violations of the criminal law; that the proceeding by injunction is of a civil character, and may be enforced by proceedings in contempt; that such proceedings are not in execution of the criminal laws of the land; that the penalty for a violation of injunction is no substitute for and no defence to a prosecution for any criminal offences committed in the course of such violation; that the complaint filed in this case clearly showed

an existing obstruction of artificial highways for the passage of interstate commerce and the transmission of the mail—an obstruction not only temporarily existing, but threatening to continue; that under such complaint the Circuit Court had power to issue its process of injunction; that it having been issued and served on these defendants, the Circuit Court had authority to inquire whether its orders had been disobeyed, and when it found that they had been, then to proceed under section 725, Revised Statutes, which grants power "to punish, by fine or imprisonment, . . . disobedience, . . . by any party . . . or other person, to any lawful writ, process, order, rule, decree or command," and enter the order of punishment complained of; and, finally, that, the Circuit Court, having full jurisdiction in the premises, its finding of the fact of disobedience is not open to review on *habeas corpus* in this or any other court. . . .

We enter into no examination of the act of July 2, 1890, c. 647, 26 Stat. 209, upon which the Circuit Court relied mainly to sustain its jurisdiction. It must not be understood from this that we dissent from the conclusions of that court in reference to the scope of the act, but simply that we prefer to rest our judgment on the broader ground which has been discussed in this opinion, believing it of importance that the principles underlying it should be fully stated and affirmed.

The petition for a writ of *habeas corpus* is

Denied.

EXPANDING AMERICA

CARROLL D. WRIGHT

IN THE EIGHTIES, as a result of the pressure of the Knights of Labor, Congress conceded labor's rights to a governmental fact-finding agency and created the Bureau of Labor in the Department of the Interior. President Arthur named Carroll D. Wright (1840–1909) the country's first Labor Commissioner, instructing him to inquire into the cause and nature of industrial depressions. Wright was given five agents who proceeded to investigate wages and working conditions here and abroad. His first annual report was submitted in 1886.

Wright had trained for the law and had served in the Union armies in the Civil War. On his return to civilian life, he won a reputation as a patent attorney, was elected to the Massachusetts Senate, and then became chief of the State's Bureau of Labor Statistics. His excellent work in this office had a helpful influence in the establishment of similar agencies in other states and led to his Washington appointment.

For his first report, Wright tried to collect a vast array of statistical data; his materials, however, were filled with lacunae and his techniques of analysis—by present-day standards—quite primitive. But his data do show the relations between unemployment and the extraordinary technological fluidity of a growing industrial economy. So impressed was Wright by these achievements that he ventured on a prediction: the Western World, in terms of technological progress, was nearing maturity. There seemed few worlds left to be conquered. His remarks on this point constitute a curiosity of economic literature and are presented here because Wright seemed to be anticipating the so-called "maturity school" of American economists of fifty years later. (See Part XI, below.) The selection here reprinted is from the *First Annual Report of the Commissioner of Labor, Industrial Depressions* (Washington, 1886).

In another ten years, Wright was changing his mind: there was to be no end, apparently, to industrial progress. In his *Industrial Evolution of the United States* (New York, 1895), which Chatauqua spread widely throughout the nation, Wright was able to demonstrate some of the triumphs of that progress. Thanks to the machine, the productivity of the worker was increasing enormously and the country's material wealth was steadily growing. But labor was also profiting: in more wages, in a shorter working day and—best of all—in higher real wages as a result of lower costs for

necessities due to machine production. The second selection comes from Wright's *Industrial Evolution*. It is particularly interesting because it is one of the early attempts in American economic literature to discuss the history of wages.

First Annual Report of the Commissioner of Labor

BY CARROLL D. WRIGHT

Chapter III: The Manufacturing Nations Considered as a Group in Relation to the Present Depression

It is apparent from the statistical illustrations given in the preceding chapters that the family of manufacturing states, Great Britain, France, Belgium, Germany, and the United States, if not also Austria, Russia, and Italy, are suffering from an industrial depression novel in its kind, and yet having characteristic features of similarity throughout the whole range of states. It seems to be quite true that in those states considered the volume of business and of production has not been affected disastrously by the depression, but that prices have been greatly reduced, wages frequently reduced, and margins of profits carried to the minimum range. Over-production seems to prevail in all alike without regard to the system of commerce which exists in either. What has brought all these states to the position in which they are found at the present time constitutes a most interesting and important question in economics, and one vitally affecting the wage-workers of the world. The wide study given to this matter has resulted in some conclusions entirely warranted by the facts, which may not be lacking in value, and not only the facts, but the results of the facts, are properly stated at this point.

If each of these great communities has reached an industrial condition involving phases common to all, there must be somewhere a line of reasons for such universal condition, and one should be able to develop the logical course of events which has brought such a wide range of states to an industrial epoch.

England, with generations of skill in mechanical employment, was the first to establish the factory system and institute a new industrial order of things, in which the division of labor became more and more an important factor. She controlled also the exchange of the world. In her insular position she was able to make the world pay tribute to her by compelling the produce of the world to pass through her hands, either in kind or in settlement of balances. With these immense advantages, and having the control, too, of raw materials in abundance, it was natural that England should seek to supply the world with manufactured products. This she was able to do with the aid of her skill, of her science, of rapid transportation, which she did much to develop, and of the vast capital which she possessed, enabling her to carry on great enterprises. So her ambition was natural and legitimate, and her great prosperity came to her without regard to any commercial system which she might have established, and in spite of commercial systems. Free trade became to her a necessity, because she sold to the world her manufactured products, and the world had few manufactured products to sell to her. With the constant increase of equipment to carry out her industrial policy, England at last found herself, on account of the course of other nations, with a plant altogether too large for the demands made upon her, and with a capacity sufficient to supply not only all her own home and colonial markets but a great share of the other markets of the world.

The United States, after the war of the Revolution, found that political freedom only had been secured as the result of the war. Industrially this country was under the control of Great Britain. It became essential to establish a commercial system, which it was thought would enable our industries to become gradually free from the industrial control of England. This policy has, with few interruptions, been pursued to the present time. Foreign producers of manufactured goods have gradually lost the American market, and the American producers have gradually found themselves in position to supply the home demand. Stimulated in this direction, the United States has gone on perfecting machinery, duplicating plant, crowding the market with products, until to-day this country is in the exact position of England, with productive capacity far in excess of the demand upon it, and her industries, as those of Great Britain, stagnated, the wages of labor reduced, prices lowered, and the manufacturers and merchants trying to secure an outlet for surplus goods. This condition has been reached under a system the reverse of that which has prevailed in Eng-

land, and while stimulation has been enhanced by the system prevailing here, the condition has been reached in spite of it.

France, at first drawing her skilled workmen from England and tardy in the establishment of the factory system, at last concluded she ought to supply her own markets at least, and so began war on British industry. With a natural ambition to supply her own markets, she has carried the stimulation so far that she has not only secured the capacity to supply herself but has a vastly enhanced capacity, and is seeking to supply others. To-day France finds herself, through her policy, in precisely the same industrial situation that attends Great Britain and America.

Germany has followed the example of France and the United States, and with precisely the same results. Her commercial policy or system has been, of late years, the same as that of the United States, while Belgium has followed that of Great Britain, and yet all these nations now find themselves in sympathy in their distress, all seeking outlets for their surplus production. The scale of wages in the countries named is according to the following order, the highest first: The United States, Great Britain, France, Belgium, Germany. It is difficult to connect commercial systems with this scale of wages, and when the broad view is taken that each of these countries has overstocked itself with machinery and manufacturing plant far in excess of the wants of production, and when it is considered also that the present period of industrial depression is unique in its character, as not having been attended with financial and commercial crises and panics, financial matters having been only incidentally involved, and when it is considered further that the condition of these nations has been reached under both free trade and protective policies, and under a wide range of tariff restrictions, it is readily seen that the family of nations given to mechanical production have reached an epoch in their existence, and that commercial systems which might have been at one time, or under some circumstances, necessities, are now apparently only expediencies, to be used temporarily and not as permanent features of national progress. Historically, it must be admitted that the two great opposing systems of free trade and protection have played well their parts in the industrial development of nations; but the wisdom derived from the experience of all the nations in the race for industrial success should teach each that ultimately that system freest from restrictions will beget generally the best conditions. Meantime, expediency has its power, and must continue to exercise it until the evil resulting from changes can be met through the softening influences which come from contest and hardship. The struggle so far has had a strong influence in producing ever recurring periods of depression. These considerations are shown to be valid through the information collected by the Bureau in all the countries involved. . . .

In England, Belgium, and France the railroads and canals that are really needed have been built. There remains only to be constructed feeding and competing lines, and experience shows that for such lines the revenue for the capital invested is not equal to nominal remuneration. In Holland the great works are completed; Amsterdam is united to the sea, international communications have been well established, and there are no longer urgent works to be undertaken, and the reward of capital to be invested now is not sufficient to tempt lenders. In Italy and Spain the great arteries are provided with railroads, while the products moved and the revenues derived from capital invested are notoriously inferior to what was expected. When this is the case there is no prospect of rival or subsidiary lines being constructed. Harbors and rivers are sufficiently developed, and warehouses, water and gas works, tramways, etc., are largely provided for. The Pyrenees and the Alps are tunnelled, and a sufficient network of international communication established. In England railroad building cannot be extended to a sufficient degree to absorb much capital or much labor. In Russia the principal lines of railroad have been built with the aid of the Government, and it is not likely that further construction will take place except for strategical purposes. Germany is provided with a full network of railroads, and the facilities for transportation are in excess of actual needs. Austria is in much the same condition as Germany, and Turkey also has as many railroads as can be used. In the United States the mileage of new railroads constructed has been out of all proportion to the increase of the products to be carried.

The Suez Canal has been built, terrestrial and transoceanic lines of telegraph have been laid, and the merchant marine has been transformed from wood to iron. To-day the carrying service of nations, and especially of the great marine nation, England, is overstocked to a far greater extent than the industries. On all sides one sees the accomplished result of the labor of half a century. From a financial point of view, these accomplished results should always be good, but in many cases it is apparent that undertakings have proved deceptive and Governments become needy and some, as Egypt, insolvent. Whatever may have been the financial results, industry has been enormously

developed, cities have been transformed, distances covered, and a new set of economic tools has been given in profusion to rich countries, and in a more reasonable amount to poorer ones. What is strictly necessary has been done oftentimes to superfluity. This full supply of economic tools to meet the wants of nearly all branches of commerce and industry is the most important factor in the present industrial depression. It is true that the discovery of new processes of manufacture will undoubtedly continue, and this will act as an ameliorating influence, but it will not leave room for a marked extension, such as has been witnessed during the last fifty years, or afford a remunerative employment of the vast amount of capital which has been created during that period. The market price of products will continue low, no matter what the cost of production may be. The day of large profits is probably past. There may be room for further intensive, but not extensive, development of industry in the present area of civilization. Outside of the area of a high state of industrial civilization, in China, Japan, India, Australia, Persia, and South Africa, there is a vast deal to be done, but this of necessity will be accomplished slowly, as these countries, not having the capital to make speculative movements, must depend upon the money-lending countries. Supplying themselves with full facilities for industries and commerce will give to each of the great nations of Europe and of America something to do, but the part of each in this work will be small and far from enough to insure more than temporary activity. It may help to keep away stagnation and modify the severity and the duration of industrial depressions. There are very many influences, like the great expense of standing armies, of war and revolutions, and local features, so far as causes are concerned, which enter into the consideration of the industrial situation of the world so far as localities are specifically concerned. The present treatment only has to do with those things which seem to be common. The building of railroads and of ships, even in countries where the land is interlaced with roads and supplied with wharfs lined with shipping, must go on, because the waste needs repairing, and the great industrial work of supplying the world will furnish enough for all to do; but the brief review of the present industrial situation of the great communities involved indicates that statesmanship is required to establish such guards and checks in human affairs as shall lead to a safer and surer progress than that which has attended the past decade. In the consideration of suggested remedies and in the summary of this report facts will be brought out which will at least be suggestive of channels into which legislation, but more effectually public sentiment, may be directed. Certainly, with the aid of the wisdom of some of the best minds in Europe and America, and of men having the largest experience, these directions should have their influence.

One of the agents of the Bureau reports as the result of interviews had with leading economists in Europe the following as the predominant features of modern industrial development among the producing nations: (1) The influence of the increased facilities for transportation and international communication. (2) The steady progress of rising wages, contemporaneous with declining profits. (3) The enlargement of the circle of producing nations to such extent as to make the means of production far in excess of the needs of consumption. The factors responsible for this state of affairs are—

(*a*) The desire to participate in the large profits made by those first in the field.

(*b*) The continuous flow of precious metals after the discovery of the gold mines of California and Australia.

(*c*) The extension of the credit system, facilitating the advance of capital to those who knew the processes and secrets of manufacture, but who had not the ready money to commence business on their own account.

(*d*) The establishment of protective tariffs in most of the western European countries and the United States inducing sharp domestic competition and over-production.

(*e*) The abnormal stimulus given to industry in Germany by the accomplishment of German unity and by the payment by the Government of its domestic obligations from the war indemnity received from France. . . .

Industrial Evolution of the United States

BY CARROLL D. WRIGHT

CHAPTER XVII: LABOR AND RATES OF WAGES, 1790–1890

A STATEMENT of the actual or average wages for any period or locality, especially when used for purposes of comparison, is not complete unless accompanied by information as to the hours of labor, regulations as to extra earnings, division of

earnings among underhands, and other methods peculiar to the period or locality. Information as to cost of living and prices of commodities should also be considered, since it is not the amount of money wages that most nearly concerns the workman, but the amount of subsistence obtainable at a given period for a given expenditure. This chapter, however, is confined chiefly to a presentation of wages, prices being incidentally treated. The rates selected are either actual wages or the average for a number of establishments in different localities, and it is believed they fairly represent the wages for the different classes of labor. While the rate of wages for the same class of employees in different establishments within a given district may vary, the tendency is to equality.

In giving wages and prices for the past one hundred years, especially for the first half of the century, recourse has been chiefly to Eastern and Middle State conditions. This has been necessitated by the lack of data for other portions of the country, but it is believed that the facts given are fairly representative relatively of variations in all manufacturing districts of the country taken as a whole, notwithstanding the great variations occurring between one part of the country and another.

At the beginning of the constitutional period, as stated in the chapter on wages in colonial days, not much change had been experienced in the rates of wages paid in different trades, but between 1790 and 1830, when the factory system was in fair and general operation and labor of every character commanded higher wages, it being in greater demand, there was a fair advance, carpenters in 1790 being paid less than 60 cents a day; in 1800 something over 70 cents; in 1810, $1.09 on the average; in 1820, $1.13; in 1830, about $1.13, reaching, however, in the northern parts of our country an average of $1.40 a day during the period from 1830 to 1840. After this there was not much change for carpenters until 1860. Taking laborers, on the other hand, as fairly representative of general conditions, it is found that they were paid, in 1790, about 43 cents a day, on the average; in 1800, 62½ cents a day; from 1800 to 1810, about 82 cents a day; from 1810 to 1820, something over 90 cents a day, while from 1840 to 1860 they varied from 87½ cents to $1 a day. Printers were receiving, at the beginning of the century, about $1.00 a day, and their wages had increased to $1.75 by 1860. Shoemakers were paid 73⅓ cents a day, on the average, during the decennial period 1790 to 1800, while they averaged from 1820 to 1830 $1.06 a day, reaching $1.70 in 1860. Looking to cotton-mill operatives, whose wages are not quoted much prior to 1820, we find that they were paid 44 cents a day, on the average, between 1820 and 1830, nearly 90 cents a day from 1830 to 1840. This wage held, with slight increase, to 1850, while during the next decade of years their average pay was $1.03 a day. Woolen-mill operatives did somewhat better, being paid in the earlier part of the factory period, that is, the decade of years prior to 1830, $1.12; they rarely reached this high wage again before 1880.

The record of wages after 1830 is far more complete, and the course of their rise or fall can be more clearly stated. In 1831 daily wages for agricultural laborers ranged from 57.5 cents to $1.00; blacksmiths received from $1.00 to $1.25 per day. The daily average for carpenters was $1.07, but ranged as high as $1.50, while masons received $1.26. Since 1873 wages in these staple occupations had more than doubled, but the segregation of mechanics and labor of all kinds into classes had made rapid progress, and an average wage for such a broad grouping conveys no idea of the rates of wages for the different classes. The average daily wages for paper-mill operatives in 1831 was 66.6 cents, printers $1.25, shoemakers $1.06, cotton-mill operatives 88.6 cents, woolen-mill operatives 94.6 cents, glassmakers $1.13, and millwrights $1.21.

During the thirty years from 1830 to 1860 two violent commercial convulsions occurred, one in 1837 and one in 1857. Excessive importations, speculation, and the abuse of the credit system were the principal causes of both these business depressions; both had the effect of temporarily reducing wages in certain industries. Wages had not fully recovered from the panic of 1857 by 1860. The averages for the decade ending that year, however, show a decided advance over 1830. An average for the ten years ending with 1860 gives agricultural laborers $1.01 per day, blacksmiths $1.69, carpenters $2.03, and masons $1.53; paper-mill operatives received $1.17, printers $1.75, shoemakers $1.70, cotton-mill operatives $1.03, woolen-mill operatives 87.3 cents, glassmakers $2.96, and millwrights $1.66. The wages in all of these occupations, with the exception of woolen-mill operatives, show an advance over 1830. The percentage of increase ranges from 16.3 for cotton-mill operatives to 161.9 for glassmakers. On making a similar comparison of wages for twenty different occupations, it is found that but one shows an increase in average daily wages.

Without considering the effect that the war, the fluctuation in currency, or the financial crisis of 1873 may have had on wages during the twenty years from 1860 to 1880, we will compare the

averages for 1860 with similar averages for 1880. Agricultural laborers in 1880 received $1.31 per day, blacksmiths $2.28, carpenters $2.42, masons $2.79, paper-mill operatives $2.79, printers $2.18, shoemakers $1.76, cotton-mill operatives $1.40, woolen-mill operatives $1.24, and glassmakers $1.79. These average wages for leading industries indicate the general increase in wages in all occupations during the fifty years from 1830 to 1880. . . .

Carrying this comparison of actual wages for distinct classes into the building trades, a representative establishment in New York reports the pay for carpenters in 1843 as $1.50 per day, and in 1891 $3.50, with the hours of work reduced from ten to eight. The pay of bricklayers and their helpers increased from $1.75 and $1.00, respectively, in 1851 to $4.00 and $2.50, respectively, in 1891, with a decrease of two hours in working time. The daily wages of draughtsmen and foremen blacksmiths, two widely separated yet dependent classes of labor, as reported by an establishment engaged in manufacturing metals and metallic goods in New York, increased from $1.75 and $2.50, respectively, in 1848 to $5.31 and $5.83 in 1891. Making a similar comparison for an entirely different class of wage-earners, that of railroad employees, we find the pay of locomotive engineers and firemen increasing from $2.14 and $1.06 in 1840 to $3.77 and $1.96, respectively, in 1891; during the same period the pay of passenger car conductors increased from $2.11 to $3.84. . . .

Considering the wages for the great mass of wage earners, the common and agricultural laborers, during the entire period since 1633, the daily wages for the best laborers advanced from 25 cents to 33.3 cents immediately before the Revolution, to 42.5 cents immediately after, and during June of 1891 the wages of common laborers ranged from $2.50 in Montana to 75 cents in the Carolinas and $1.25 in New York. Farm laborers received, during June, 1891, from $30 to $40 per month, with board and lodging, in Montana and California, to $9 and $10 in the Carolinas and Virginia, and $15 to $20 in New York. Masons (master workmen) received 33.3 cents per day in 1633 and $1.00 in 1790, while during the busy season of 1891 their wages ranged from $4.50 to $5.00 in California and Colorado, $2.50 in North Carolina, and $2.50 and $3.36 in Pennsylvania and New York.

The wages paid in numerous occupations can be compared, and in each instance the same, or a similar, advance is shown. The three classes given, however, are sufficient with data given in Chapter IX., to convey an idea of the great increase in the money wages of all classes of workmen during the two hundred and fifty-eight years. While the number actually employed increases or diminishes with business prosperity or depression, their employment or idleness appears to have had but little effect on the rate of pay. Wages during almost the entire period have had an upward tendency, decreases being the exception and generally only of temporary duration.

Turning from the specific wages paid in some of the leading occupations, it is interesting to study the relative percentage of increase of wages in general. This can be done by assuming that at a certain period wages can be represented by 100, or par, and then calculating the increase or decrease from par in accordance with the facts.[1] Whatever wages were in 1860, they are quoted at 100. Starting from this basic point, it has been found that, taking the wages (which were taken from actual pay-rolls) in twenty-two industries and from nearly one hundred distinct establishments, and making a simple average, the percentages stood at 87.7 in 1840, as compared with 100 in 1860; that in 1866 they stood at 152.4, and in 1891 at 160.7. But it might be objected that a simple average does not indicate the general percentage of increase or decrease; so the figures have been averaged according to their importance, each industry relative to all industries, as represented by the number employed in each. On this basis, taking 1860 as represented by 100 again, it is found that the general average of wages in 1840 is represented by 82.5, in 1866 by 155.6, and in 1891 by 168.6; that is to say, on this basis wages have increased since 1860, as is shown by percentages, to the extent of 68.6 per cent; and this figure shows the course of wages in this country since that year. On the basis of 100 in 1860, the increase has been from 82.5 in 1840 to 168.6 in 1891, the close of the period discussed.

It is difficult always to make a statement concerning the course of prices for any considerable period of time that will be satisfactory to all students. The actual price of different articles does not alone indicate such course, because one article enters into the consumption of the people in slight degree, the price of such article having a wide range, while another article, entering largely into consumption, may be represented by a price quite steady; so there is always contention as to whether the price represented by the basis of con-

[1] This method was adopted by the Senate Committee on Finance in its report on "Wholesale Prices and Wages," being Senate Report No. 1394, Fifty-second Congress, second session.

sumption or the degree of consumption of each group of articles has risen or fallen.

In the Sixteenth Annual Report of the Massachusetts Bureau of Statistics of Labor there are very extensive quotations of the prices of commodities covering the period from 1752 to 1883 and general comparisons from 1830 to 1860. Without going into the details of these comparisons, it appears that from 1830 to 1860 agricultural products advanced in price 62.8 per cent; burning oils and fluids, 29 per cent; candles and soap, 42.6 per cent; dairy products, 38.8 per cent; fish, 9.8 per cent; flour and meal, 26 per cent; fuel, meaning by this wood only, 55.4 per cent; meats, which included turkey in this particular comparison, 53 per cent. On the other hand, prices declined for boots and shoes 38.9 per cent; clothing and dress goods, 24.7 per cent; dry goods, 30.9 per cent; food preparations, 17.5 per cent; letter paper, 35.1 per cent; spices and condiments, 36.5 per cent.

By a consolidation of the percentages showing either an advance or decline in prices for the fourteen classes of articles just cited, the general percentage of increase in price is found to be 9.6 per cent. If, on the other hand, the averages for the same classes of articles be considered, and not the percentages obtained for each class, it is found that the general average increase in prices was 15.7 per cent. The mean of these two percentages is 12.7, and this more probably indicates the correct position of the fourteen classes of articles just named in their general tendency between 1830 and 1860.

If, however, wages for the same period, as given for the various occupations named in the report cited above, be consolidated and averaged, the general average increase shown for the period ending with 1860, as compared with that ending with 1830, is 52.3 per cent. These facts clearly indicate that for that thirty years wages advanced to a much greater degree than prices.

It is fortunate that the public can now have recourse to the report of the Senate Committee on Finance, which has been referred to. Wholesale prices are given in this report for 223 leading articles of consumption form 1840 to 1890, and taking the prices of these articles as a whole, and considering them on the same basis as that on which wages were considered, that is, assuming the quotations for 1860 to be 100, or par, it is found that the percentages are, for 1840, 97.7 per cent relatively to 100 in 1860, 187.7 for 1866, and 94.4 for 1891; or, in other words, prices generally, so far as the 223 leading articles are concerned, fell from 100 in 1860 to 94.4 in 1891.

Placing wages and prices in juxtaposition in a general comparison, it is found that wages, considered relatively to the importance of one industry to all industries, stood at 168.6 in 1891 relatively to 100 in 1860, and that the prices of 223 commodities entering into consumption, on the basis of the importance of each article in proportion to the importance of all, fell from 100 in 1860 to 94.4 in 1891. The conclusion, therefore, must be positive and absolute that, while the percentage of increase in prices rose in 1866 to a point far beyond the increase in wages, prices had, by 1891, fallen to a point lower, on the whole than they were in 1840, and wages had risen even above the high point they reached in 1866.

It should be stated that in these percentages the prices of rents have not been considered. Rents have increased greatly, but taking the rise in rents into consideration, as well as the rise in food products and some other things, and drawing a general conclusion relative to real wages, the statements just made must hold as practically and generally established. . . .

Chapter XXVII: The Influence of Machinery on Labor

In the manufacture of agricultural implements new machinery has, in the opinion of some of the best manufacturers of such implements, displaced fully fifty per cent of the muscular labor formerly employed, as, for instance, hammers and dies have done away with the most particular labor on a plow. In one of the most extensive establishments engaged in the manufacture of agricultural implements in one of the Western States it is found that 600 men, with the use of machinery, are now doing the work that would require 2,145 men, without the aid of machinery, to perform; that is to say, there has been in this particular establishment a loss of labor to 1,545 men, the proportion of loss being as 3.57 to 1.

In the manufacture of small arms, where one man, by manual labor, was formerly able to "turn" and "fit" one stock for a musket in one day of ten hours, three men now, by a division of labor and the use of power machinery, will turn out and fit from 125 to 150 stocks in ten hours. By this statement it is seen that one man individually turns out and fits the equivalent of forty-two to fifty stocks in ten hours, as against one stock in the same length of time under former conditions. In this particular calling, then, there is a displacement of forty-four to forty-nine men in one operation.

Looking at a cruder industry, that of brickmaking, improved devices have displaced ten per cent of labor, while in making fire-brick forty per cent

of the labor formerly employed is now dispensed with, and yet in many brickmaking concerns no displacement whatever has taken place.

The manufacture of boots and shoes offers some very wonderful facts in this connection. In one large and long-established manufactory in one of the Eastern States the proprietors testify that it would require five hundred persons, working by hand processes and in the old way in the shops by the roadside, to make as many women's boots and shoes as one hundred persons now make with the aid of machinery and by congregated labor, a contraction of eighty per cent in this particular case. In another division of the same industry the number of men required to produce a given quantity of boots and shoes has been reduced one half, while, in still another locality, and on another quality of boots, being entirely for women's wear, where formerly a first-class workman could turn out six pairs in one week, he will now turn out eighteen pairs. A well-known firm in the West engaged in the manufacture of boots and shoes finds that it would take one hundred and twenty persons, working by hand, to produce the amount of work done in its factory by sixty employees, and that the handwork would not compare in workmanship and appearance by fifty per cent. By the use of Goodyear's sewing machine for turned shoes one man will sew two hundred and fifty pairs in one day. It would require eight men, working by hand, to sew the same number in the same time. By the use of a heel-shaver or trimmer one man will trim three hundred pairs of shoes a day, while formerly three men would have been required to do the same work; and with the McKay machine one operator will handle three hundred pairs of shoes in one day, while without the machine he could handle but five pairs in the same time. So, in nailing on heels, one man, with the aid of machinery, can heel three hundred pairs of shoes per day, while five men would have to work all day to accomplish this by hand. A large Philadelphia house which makes boys' and children's shoes entirely, has learned that the introduction of new machinery within the past thirty years has displaced employees in the proportion of six to one, and that the cost of the product has been reduced one half. . . .

In another line labor has been displaced to such an extent that only one third the number of operatives formerly required is now in employment. In the days of the single-spindle hand-wheel, one spinner, working fifty-six hours continuously, could spin five hanks of number thirty-two twist. At the present time, with one pair of self-acting mule-spinning machines, having 2,124 spindles, one spinner, with the assistance of two small boys, can produce 55,098 hanks of number thirty-two twist in the same time. It is quite generally agreed that there has been a displacement, taking all processes of cotton manufacture into consideration, in the proportion of three to one. The average number of spindles per operative in the cotton-mills of this country in 1831 was 25.2; it is now over 64.82, an increase of nearly 157 per cent; and along with this increase of the number of spindles per operative there has been an increase of product per operative of over 145 per cent, so far as spinning alone is concerned. In weaving in the olden time, in this country, a fair adult hand-loom weaver wove from forty-two to forty-eight yards of common shirting per week. Now a weaver, tending six power-looms in a cotton factory, will produce 1,500 yards and over in a single week; and now a recent invention will enable a weaver to double this product. . . .

And so illustrations might be accumulated in very many directions—in the manufacture of furniture, in the glass industry, in leather-making, in sawing lumber, in the manufacture of machines and machinery, in the production of metals and metallic goods of all kinds, or of wooden-ware, in the manufacture of musical instruments, in mining, in the oil industry, in the manufacture of paper, in pottery, in the production of railroad supplies, in the manufacture of rubber boots, of saws, of silk goods, of soap, of tobacco, of trunks, in building vessels, in making wine, and in the production of woolen goods.

It is impossible to arrive at an accurate statement as to the number of persons it would require under the old system to produce the goods made by the present industrial system with the aid of invention and power machinery. Any computation would be a rough estimate. In some branches of work such a rough estimate would indicate that each employee at the present represents, on an average, fifty employees under the old system. In many other branches the estimate would involve the employment of one now where three were employed. Looking at this question without any desire to be mathematically accurate, it is fair to say, perhaps, that it would require from fifty to one hundred million persons in this country, working under the old system, to produce the goods made and do the work performed by the workers of to-day with the aid of machinery. This computation may, of course, be very wide of the truth, but any computation is equally startling, and when it is considered that in spinning alone 1,100 threads are easily spun now at one time where one was spun under the old

system, no estimate can be successfully disputed.

All these facts and illustrations simply show that there has been, economically speaking, a great displacement of labor by the use of inventions; power machinery has come in as a magical assistant to the power of muscle and mind, and it is this side of the question that usually causes alarm. Enlightenment has taught the wage-receiver some of the advantages of the introduction of inventions as his assistants, but he is not yet fully instructed as to their influence in all directions. He does see the displacement; he does see the difficulty of turning his hand to other employment or of finding employment in the same direction. These are tangible influences which present themselves squarely in the face of the man involved, and to him no philosophical, economic, or ethical answer is sufficient. It is therefore impossible to treat of the influence of inventions, so far as the displacement of labor is concerned, as one of the leading influences, on the individual basis. We must take labor abstractly. So, having shown the powerful influence of the use of ingenious devices in the displacement or contraction of labor, as such, it is proper to show how such devices have influenced the expansion of labor or created employments and opportunities for employment which did not exist before their inception and application. A separate chapter is given to this part of the subject.

Chapter XXVIII: The Influence of Machinery on Labor.—Expansion

As incredible as the facts given in the preceding chapter appear to one who has not studied them, the ability to crystallize in individual cases and show the fairly exact displacement of labor exists. An examination of the opposite influence of inventions, that of the expansion or creation of employments not before existing, reveals a more encouraging state or condition of things, but one in which the statistician can make but very little headway. The influences under the expansion of labor have various ramifications. The people at large, and especially those who work for wages, have experienced these influences in several directions, and contemporaneous with the introduction and use of inventions, the chief economic influence being in the direction of expansion, the other influences being more thoroughly ethical, and these should be considered under that broad title. The statistical method helps in some respects in studying the expansive power of inventions, and especially in the direction of great staples used as raw material in manufacturing processes and in the increase of the number of people employed relative to the number of the population. If there has been a great increase in the consumption per capita of great staples for manufacturing purposes, there must have been a corresponding expansion of labor necessary for the production of goods in like directions.

Taking up some of the leading staples, the facts show that the per capita consumption of cotton in this country in 1830 was 5.9 pounds; in 1880, 13.91 pounds; while in 1890 the per capita consumption had increased to nearly 19 pounds. These figures are for cotton consumed in our own country, and clearly and positively indicate that the labor necessary for such consumption has been kept up to the standard, if not beyond the standard, of the olden time—that is, as to the number of people employed.

In iron the increase has been as great proportionately. In 1870 the per capita consumption of iron in the United States was 105.64 pounds, in 1880 it had risen to 204.99, and in 1890 to 283.38. While processes in manufacturing iron have been improved, and labor displaced to a certain extent by such processes, this great increase in the consumption of iron is a most encouraging fact, and proves that there has been an offset to the displacement.

The consumption of steel shows like results. In 1880 it was 46 pounds per capita, and in 1890, 144 pounds. The application of iron and steel in all directions, in the building trades as well as in the mechanic arts, in great engineering undertakings, and in a multitude of directions, only indicates that labor must be actively employed, or such extensions could not take place. But a more conclusive offset to the displacement of labor, considered abstractly, is shown by the statistics of persons engaged in all occupations. From 1860 to 1890, a period of thirty years, and the most prolific period in this country of inventions, and therefore of the most intensified influence in all directions of their introduction, the population increased 99.16 per cent, while during the same period the number of persons employed in all occupations—manufacturing, agriculture, domestic service, everything—increased 176.07 per cent. In the twenty years, 1870 to 1890, the population increased 62.41 per cent, while the number of persons in all occupations increased 81.80 per cent. An analysis of these statements shows that the increase of the number of those engaged in manufacturing, mechanical, and mining industries, those in which the influence of inventions is most keenly felt, for the period from 1860 to 1890 was 172.27 per cent, as against 99.16 per cent increase in the total population. If statistics could be as forcibly applied to

show the new occupations brought into existence by invention, it is believed that the result would be still more emphatic.

If we could examine scientifically the number of created occupations, the claim that inventions have displaced labor on the whole would be conclusively and emphatically refuted. Taking some of the great industries that now exist, and which did not exist prior to the inventions which made them, we must acknowledge the power of the answer. In telegraphy thousands and thousands of people are employed where no one has ever been displaced. The construction of the lines, the manufacture of the instruments, the operation of the lines—all these divisions and subdivisions of a great industry have brought thousands of intelligent men and women into remunerative employment where no one had ever been employed before. The telephone has only added to this accumulation and expansion, and the whole field of electricity, in providing for the employment of many skilled workers, has not trenched upon the privileges of the past. Electroplating, a modern device, has not only added wonderfully to the employed list by its direct influence, but indirectly by the introduction of a class of goods which can be secured by all persons. Silverware is no longer the luxury of the rich. Through the invention of electroplating, excellent ware, with most artistic design, can be found in almost every habitation in America. The application of electroplating to nickel furnished a subsidiary industry to that of electroplating generally, and nickelplating had not been known half a dozen years before more than thirty thousand people were employed in the industry, where no one had ever been employed prior to the invention. . . .

It is certainly true—and the statement is simply cumulative evidence of the truth of the view that expansion of labor through inventions has been equal or superior to any displacement that has taken place—that in those countries given to the development and use of machinery there is found the greatest proportion of employed persons, and that in those countries where machinery has been developed to little or no purpose poverty reigns, ignorance is the prevailing condition, and civilization consequently far in the rear.

The expansion of values as the result of the influence of machinery has been quite as marvelous as in any other direction, for educated labor, supplemented by machinery, has developed small quantities of inexpensive material into products of great value. This truth is illustrated by taking cotton and iron ore as the starting-point. A pound of cotton, costing at the time this calculation was made but 13 cents, has been developed into muslin which sold in the market for 80 cents, and into chintz which sold for $4. Seventy-five cents' worth of common iron ore has been developed into $5 worth of bar-iron, or into $10 worth of horse-shoes, or into $180 worth of table knives, or into $6,800 worth of fine needles, or into $29,480 worth of shirt buttons, or $200,000 worth of watch-springs, or $400,000 worth of hair-springs, and the same quantity of common iron ore can be made into $2,500,000 worth of pallet arbors.[1]

The illustrations given, both of the expansion of labor and the expansion of values, are sufficiently suggestive of a line of study which, carried in any direction, will show that machinery is the friend and not the enemy of man, especially when man is considered as a part of society and not as an individual.

[1] This calculation was made by George Woods, LL.D., of Pittsburg, Pa., and given by him in an address on "Technical Education," in 1874.

THE CRISIS OF 1893

JOHN DEWITT WARNER

DESPITE GREAT INDUSTRIAL ADVANCES and steady improvements in standards of living, the American economic system knew nothing about smoothing out the sharp fluctuations of the business cycle. An inadequate banking and credit mechanism and the helplessness of government went hand in hand with disorderly speculative activities: revivals led to booms and booms were followed by contractions and crises. The crisis of 1893—which hit the country in the summer of that year—was aggravated by the troubles of agriculture and by businessmen's lack of confidence in the currency tinkering of Washington.

John DeWitt Warner's (1851–1925) pamphlet shows how, because of the absence of a

central banking mechanism, banks all over the country were compelled to fall back upon all sorts of ingenious devices to relieve the currency stringency. The fear for the gold standard is clearly indicated in Warner's analysis; but, more important, is the description of a banking system that was incapable of functioning either in time of too great credit expansion or in time of too great contraction.

Warner's pamphlet, *The Currency Famine of 1893* (New York, 1895) was published by the New York Reform Club.

The Currency Famine of 1893

BY JOHN DEWITT WARNER

Circumstances that Preceded the Crisis

GENERAL CONDITIONS

THE CIRCUMSTANCES that preceded the currency famine of 1893 are as yet too recent to be free from controversy as to their causes and consequences. In a general way, however, the situation has already become historic, so that somewhat of an apparently significant succession of facts may properly be noted.

For the ten years preceding 1890, though local disturbances had not been lacking, the commercial, manufacturing and agricultural world as a whole had been enjoying steady prosperity, until the accumulation of raw materials and manufactures was greater than ever before in the world's history; and ten years of prosperity had made general throughout the world that state of mind which prompts borrowers to new enterprises and induces lenders freely to extend credits.

From the beginning of the year 1890, however, growing caution and watchfulness seemed as general as theretofore had been confidence approaching carelessness. The first symptom was generally an attempt to dispose of surplus stocks even at a sacrifice. This brought about a shrinkage of values, which, in its turn, lessened margins and increased the apprehensions of creditors.

On this side of the water a suggestion of the situation is found in the foreclosure during the first six months of 1890 of no less than twenty-one railroad companies, with an aggregate of stock and bonds of $92,000,000; while the collapse of the Barings in England during the autumn of 1890 called attention to the shrinkage in colonial and South American securities, and to the precarious standing of world famous houses.

THE SHERMAN ACT

It was just at this time, too, that the agitation for cheap money reached its highest tide in Congress and the Sherman Act became a law. By this, instead of coinage at $2,000,000 per month, bullion certificates at the rate of $4,500,000 per month were added to our currency, already out of all proportion to the commercial wants of our people; while free coinage—that is, forced coinage of silver at a par of 16 to 1 of gold—was pressed on every hand, largely by those who confessed their aim to be partial repudiation.

It may be questioned how far this last factor contributed to the gravity of the situation here; there can be no doubt that it increased it. For, just at this time, creditor Europe was forced by her necessities to return in large measure our securities which she had theretofore eagerly taken, and we were thrown more and more upon our own resources for capital wherewith to develop our country. To the flood of our own obligations, thus thrust upon us, were now added those of holders who had become apprehensive of American good faith, and who hastened to realize, even at a sacrifice, before they should be made worse off by the repudiation which some of them thought close at hand.

Again, to the sentimental factors noted there was now added what might almost be termed a physical force, tending to drive gold out of the country, and, through our currency system, draining the treasury as well. Just how much currency the business of a country will absorb at any given moment, it is hard to say; but it is nevertheless certain that when the channels of finance are full, additions will cause them to overflow, and that the overflow will be of that portion which is acceptable elsewhere. As is pretty generally agreed, the growing dullness of business had left our currency superabundant as far back as 1890; while in that year the rate at which depreciated silver was poured into it was increased from $24,000,000 a year to more than double that rate. The effect was as though water were poured into a measure already filled with oil. The Sherman notes, whose circulation was bounded by national lines, went to the bottom of the measure—that is stayed in this country; the gold, free to move—that is, cur-

rent everywhere—overflowed to foreign countries.

Another effect now began to be prominent. To a small extent our holders of mortgages (which in this country are usually for short terms, even though intended as permanent investments) promptly secured themselves by requiring renewals under contracts payable in gold; but many lenders—to some extent from individual hesitancy in exacting unusual terms of borrowers, and to some extent from apprehension lest the legislation threatened in many States against such discrimination might prove valid—refused to make or renew time loans, thus forcing a stagnation of enterprise in many directions and in many others a realization of assets under unfavorable circumstances.

HOARDING OF GOLD IN UNITED STATES

Concurrent with this was developed a disposition to hoard gold and to discriminate in its favor by withholding it from payments. That this was markedly true in 1893 is universally understood. It seems to have been forgotten in many quarters how much earlier than that year this practice became general; though an inspection of the treasury accounts shows that in September, 1890, the first month after the passage of the Sherman act, the Treasury lost $38,000,000 of its gold reserve.

June 30, 1890, the net treasury assets were $255,893,000, of which $190,232,000 was in gold and gold bullion. A year later similar assets were $176,459,000, of which $117,667,000 was in gold and gold bullion—the "free gold," that is the amount above the $100,000,000 reserve for greenback redemption, having been reduced during the year from $90,232,000 to $17,667,000.

Recalling that the customs receipts are the principal streams which feed the Treasury, we can investigate one step further. In June, 1890, above ninety per cent. of our customs receipts were in gold. The proportion of gold steadily declined thereafter until in June, 1891, but twelve per cent. of the customs receipts were in gold.

The circle of investigation is complete for the period. The Treasury was diluting the currency by silver inflation at the rate of $4,500,000 each month; and at the same time it was rapidly losing power to maintain its parity in gold; while the selection by which gold was retained and silver used for payments to Government indicated that gold was being hoarded outside.

TREASURY EXPEDIENTS

The National Administration, though doing nothing to avert the crisis, was sensible of its approach. In the spring of 1891 the Treasury by refusing to furnish gold bars, of which it had plenty, practically charged gold exporters one-tenth per cent. premium; at which price during that year they took above $60,000,000; and during the summer of 1891 the Government attempted to gain gold by selling legal tender Western exchange at a price sixty cents per $1,000 less than the normal rates, on condition of being paid in gold, some $12,000,000 of which was promptly thus secured.

Finally, to accelerate the rate at which we were moving toward disaster, the joint effect of the tariff revision of 1890 and the liberal appropriations of the fifty-second Congress had been to turn the late annual surplus, averaging $110,000,000 per annum for the years 1888–1890, into a deficit which for the year beginning July 1, 1893, amounted to more than $69,000,000; so that a constantly weaker Treasury faced a steadily increasing responsibility. The time thus rapidly approached when the sole resource to maintain our currency upon a natural basis would be the steadily diminishing gold receipts of the Treasury; which, so far as concerned customs revenues, had shrunken to less than four per cent. in September, 1892, and never again rose above ten per cent. until in the currency famine of 1893 the hoarded gold coin was forced from the bank vaults.

Such was the course along which the Treasury steadily drifted for years, until in February, 1893, the outgoing Administration by private appeal to its friends secured some $6,500,000 of gold from New York bankers, just in time to enable it, going out on the 4th of March, to escape the breaking of the dam behind which for years it had seen the waters steadily piling.

As the Cleveland Administration settled into its place the flood was still rising, though not faster than had been the case for months previous. But soon the actual impairment of the $100,000,000 Treasury gold reserve showed the water trickling over the levee, and on every side each weak spot seemed about to give way.

THE CURRENCY FAMINE

For years liquidation had been progressing, and really solvent institutions had been contracting their loans and centralizing their resources, so that they were never better buttressed; but the same process of liquidation had drained the weaker ones of their available funds, and left them with holdings of unmerchantable assets, enormous in the aggregate, which the first break would throw upon an already overburdened market. The very air was charged with ruin. In April, 1893, business failures reported by *Bradstreet's* were 905,

as compared with 703 in the same month of 1892; in May there were 969, as compared with 680 the May previous, and by June not merely had the ratio of disaster further increased above the average, but all over the country, especially in the West, the banks were breaking. Up to May 9th the number of bank suspensions had not been extraordinary—only eleven of National banks during the preceding six months—but on that date the Chemical National Bank of Chicago closed its doors; on the 11th the Columbia National Bank of the same city and the Capital National Bank of Indianapolis followed its example; on the 16th the First National Bank of Cedar Falls, Ia., and on the 18th the First National and Oglethorpe National of Brunswick, Ga., and the Evanston National of Evanston, Ill., suspended. Before the month was over six other National banks had broken; in June twenty-five, and in July seventy-three others followed suit; while the mortality was equally marked among State banking associations and private bankers, so that by August first the condition was one of panic.

Then developed the feature that will forever characterize the stringency of 1893—instructive to those who have not already learned how immaterial is any ordinary supply of legal currency when compared with credit in its various forms, the real currency of the country. For years business credit had been shrinking in the United States —this largely, though by no means wholly, as the result of the constant inflation of our currency by silver legislation at a time when normal business demands for currency were growing less and less; and now this credit was largely destroyed; so that each (largely in proportion to the extent to which his lack of information left him a ready victim to fear) preferred currency in hand to any credit account, however "gilt-edged." Almost between morning and night the scramble for currency had begun and culminated all over the country, and the preposterous bulk of our circulating medium had been swallowed up as effectually as, in a scarcely less brief period, gold and silver had disappeared before the premium on specie a generation before. Currency was hoarded until it became so scarce that it had to be bought as merchandise at a premium of 1% to 3% in checks payable through the clearing house; and to enable their families to meet petty bills at the summer resorts the merchants and professional men of the cities were forced to purchase and send by express packages of bills or coin; while savings banks hawked their government bond investments about the money centers in a vain effort to secure currency. The panic was naturally worst among those of too little financial standing to use bank accounts for their ordinary business, so that the action of bank depositors but inadequately suggests the general tendency. But the deposits in National banks alone, which had been $1,750,000,000 May 1st, 1893, were about $1,550,000,000 on July 1st, and by October 1st but $1,450,000,000.

It is with the most striking result of this situation that we have to deal. It involved an absolutely unique experience—that of a highly ingenious and enterprising people, inhabiting a wealthy and civilized country, and brought face to face with an absolute necessity for the use of an extraordinary amount of currency, at the same time that they were inhibited by law from ordinary sources of supply.

FAILURE OF NATIONAL BANK CURRENCY SYSTEM

Our laws provided but one resource—additional issues of National-bank notes. The National banks were urgently summoned to perform their most important legitimate function—that of giving elasticity to a currency admittedly rigid at every other point. The only result was to demonstrate the worthlessness of the National banking system itself.

We had had it for thirty years. Its original aim had really been, not to provide bank note currency—there was a plethora of that when the National banking system was established—but rather to starve the business public into purchasing Government bonds as a condition of being permitted to do business at all.

So far was it from accommodating itself to the wants of developing communities that it took $11 in funds free for investment in any given locality to secure for that locality $9 in currency. So far was it from expanding to meet the growing demands of the country that, while twenty years ago the then outstanding $340,000,000 of National-bank notes represented more than 45 per cent. of all our circulation, ten years later the $347,000,000 of similar notes then outstanding represented but 28 per cent. of our currency, and in June, 1893—the latest date at which conditions were normal—the $172,000,000 of National-bank notes then in circulation outside of the Treasury were less than 11 per cent. of our currency, of which they had ceased to be a material factor.

So far was it from being elastic that we had come to expect a period of stringency in each year—in the late summer and early autumn—which invariably arrived; while a careful survey of the course of our National-bank note circulation showed that the general tendency, at first to its increase and afterwards to its withdrawal, had

absolutely no connection with present or prospective, however certain, business demands for currency. National banks had long since ceased even pretended obedience to law, and habitually made discounts in times of stringency in the face of depleted reserves. This practice was possible because the initiative was in the hands of the banks, and the Government had power only to punish; a power which it forebore to exercise.

In the other particular, however, that of furnishing currency, the initiative was in the hands of the Comptroller. The banks were thus powerless to break the law, no matter how beneficent might have been such violation. And nothing is more instructive than to contemplate the futile writhing and contortions of our National-bank note currency system in the strait jacket with which it had been pinioned, and to see the not merely inadequate, but positively ludicrous, results of its strenuous efforts to respond to the most urgent demands for relief that this generation has heard.

The increase of our currency by additions to National-bank circulation during the stringency was only about 1½ per cent. and was far less than the amount by which the banks of a single city virtually increased it by clearing-house certificates alone—little more than half the amount by which individual bankers increased it by actually buying gold in Europe and shipping it hither—and was in great part accomplished only after the necessity for it was over, millions of dollars of the additional currency taken out being returned to the treasury with the packages unbroken.

It was to such a dead fetich that our stricken business appealed when caught in the panic of August, 1893. Never was there offered a more conclusive proof of the self-reliance of our citizens and the superiority of business expedients over Government direction. Not merely by financiers in our great cities, and by great corporations experienced in handling such crises but in every part of the country, with the exception of the far Southwest, did the people work out their own salvation.

EMERGENCY CURRENCY

The experience of August-September, 1893, was unique. There were no gradually developed plans for mutual assistance. Mutual helpfulness there was in plenty between individuals and localities; but it was in prompt response to sudden appeals; and before any general system could be devised the occasion for it was over. Financial clouds had long been lowering; but it was within a single month that the currency famine became general, its worst effect felt, such relief as was had extended, and the crisis over, with a tendency toward a glut of circulating medium.

In other cases, nations or communities had simply found themselves thrown upon their own resources. Our people found themselves not merely drained of currency but forbidden by most carefully drawn statutes to utilize the expedients which would have been most natural and most effective. No civilized nation has ever experienced such a currency famine. None has ever found itself so fettered by positive law in its efforts to rescue itself. None ever so promptly arose to the emergency. Never was there so prompt a return to normal conditions.

It is this that I have found a peculiarly interesting study. Not that I have been able to estimate or even trace it in anything like full measure. One of its most striking peculiarities was the extent to which—partly on account of the suddenness with which it was called for and the promptness with which the need of it was over—partly, perhaps, because everyone assumed that its use was in defiance of law—the actual practice in each locality was in general unknown outside of it, and evidence and mention of it hard to secure afterwards.

The specimens I quote are, therefore, but a few score of the hundreds of cases that careful inquiry would reveal; and, except in the case of clearing house certificates proper, give but a faint idea of the extent to which in all parts of the country this emergency currency sprang into being. They are, however, I trust sufficiently varied to illustrate the methods used and the more characteristic sorts of currency—as distinguished from more strictly "credit" expedients—that were thus called into being.

Clearing House Certificates. First come actual clearing house certificates—new, not in invention, but rather in the novel extent of their use. Their office was simply to extend indefinitely the brief term of mutual credit involved in all clearing house settlements. Contrary to the general impression, they were not used as currency; but their effect was to add just their face to the volume of currency in circulation, by releasing, for use outside, that which would otherwise have been reserved for clearing house settlements. So far as the banks using them transgressed law, it was in renewing loans and extending discounts when their reserves were depleted below the legal limit. The use of clearing house certificates simply enabled this to be done with less risk of other than legal consequences.

And to the writer, not the least interesting of the data that he has gathered in this connection has been the proof—in instance after instance—where

he has been proudly assured that a particular city had not been forced to extraordinary expedients such as had been seized upon in their desperation by less favored centers—either that the boaster had been saved by aid extended by those whom he so patronizingly pities, or that the self-sufficient town had already adopted such practices that its ordinary way of doing business left nothing in the way of liberal financiering yet to be exploited. It was to the banks that did use clearing house certificates in the emergency that the country owes its escape from unparalleled disaster; and at once to anticipate and answer all inquiries as to the form and use of the legitimate clearing house certificates.

Denominations were as follows: New York, $20,000, $10,000 and $5,000; Philadelphia, $5,000 only; Boston, $10,000 and $5,000; New Orleans, $500 to $10,000; Baltimore, $6,000, $3,000 and $1,000; Pittsburg, $10,000, $5,000 and $1,000; Detroit, $5,000 only; Buffalo, $5,000 and $1,000. Their issue, it will be noticed, was mainly in the Northeast, New Orleans being the only Southern and Detroit the most Western example. And in each case it will be observed that use of the certificate is limited strictly to settlement of mutual accounts between members of the clearing house association in question.

Other devices of similar character were "Clearing House Due Bills," exchanges of clearing house balances, such as are so generally used at Chicago, that an extension of their use made unnecessary special issues of clearing house certificates; and utilization of the custom in smaller cities of considering exchange drawn on "reserve cities" as equivalent to cash in transactions between banks.

Next in order, and in some respects the most interesting of all, were the notes called clearing house certificates, but in fact intended for circulation, frequently issued by temporary committees of banks in towns where no clearing house existed, and—though thoroughly effectual for the worthy purpose for which they were issued—a travesty on the paper after which they were named. The term "clearing house certificates" was, however, used, not with the idea of deceiving any one, but as the only ready-made term that indicated the one fact that the public cared to know—viz., that the associated banks of the locality were bound to make them good. . . .

Certified Checks. Another expedient, favored in all parts of the country, was the sale by banks of certified checks against themselves for currency denominations which, when signed by the purchaser, were used by him as currency. The few given are illustrations of hundreds of instances which seem to have been pretty evenly distributed in all parts of the country except the Southwest.

Pay Checks. Most generally used of all, however, were pay checks in currency denominations, which, in scores of manufacturing towns, mainly in the Northeast, but largely in the West and Southeast, were the only currency that was available for weekly payrolls and cash purchases by wage earners.

Miscellaneous Expedients. In addition to these well defined classes, there were others so varied that but a suggestion of them can be made here—negotiable certificates of deposit; ninety-day and other short time paper in currency denominations, with and without interest; bond certificates; grain purchase notes; credit and corporation store orders; improvement fund orders; teachers' warrants; shingle scrip; specimens of each of which are given below, and which are noteworthy here as the adaptation to use for general circulation, by issue in small currency denominations, of paper devised for other and widely differing purposes.

The foregoing will, I trust, have indicated somewhat of the resourceful vigor with which we met a sudden demand. And the result was as creditable as was the promptness with which our people arose to the occasion.

THE COURSE OF NATIONAL BANK CURRENCY

But the performances of the National banking system turned tragedy into farce.

June 1, 1893, there was a surplus of about $21,000,000 in excess of legal reserve lying in New York banks awaiting investment, and the amount of National bank currency then outstanding was about $177,000,000. During that month the surplus reserve in the New York banks decreased to $1,250,000, while the National bank notes outstanding increased to $178,700,000. August 1, the bank funds were drained $14,000,000 below their legal reserve; the demand for money to move the crops was increasing, the stress was almost a panic; yet the National bank currency had increased but $5,000,000. September 1, the situation was improving, and the deficit had fallen to $1,500,000; and, now that it was less needed, the National bank note circulation began to expand rapidly and stood at $199,000,000.

October 1, the deficit had turned to an embarrassing surplus of $28,000,000; but the National bank currency expansion was as hard to stop as it had been to start, and aggravated the plethora by an increase of $10,000,000 during September—on October 1 standing at $208,700,000. November 1, the idle funds had increased to over $50,000,000, but the National bank issues were still expanding,

standing on that date at $209,300,000. December 1, the unused surplus had risen to $76,000,000, but the National bank circulation had contracted less than $500,000. January 1, 1894, the banks had $80,000,000 more than anybody wanted, but the National bank issues had remained stationary for three months at above $208,000,000. By February 1, the surplus seeking employment had risen to $110,000,000, while the National bank note circulation was still about $208,000,000; during February the $50,000,000 loan to the Treasury was floated, the most of which was taken from this surplus; yet it stood on March 1 at $76,000,000; on April 1, at $81,000,000; on May 1, at $83,000,000, and meanwhile the National bank currency had remained stationary at about $208,000,000.

In June, 1893, therefore, when there was the greatest demand that this country had ever seen for currency, the National bank issues constituted a smaller percentage of our total circulation than at any other time except during the preceding year; the almost frenzied efforts of the National banks were utterly futile in bringing material assistance until after the crisis had passed; and the result of their attempt to aid us has been to keep an increased volume of National bank currency outstanding, while the amount of unemployed currency was greater than it had ever been before, at the highest point it has reached for five years. And this is not all. The law permits but $3,000,000 contraction monthly in any event. It will not be possible, therefore, to get back to a normal basis before the annual stringency due next September.

RESULTS

Throughout New England, so generally that it may be deemed to have characterized its manufacturing centers; in so many portions of the South that it might be considered general there; in the West and in the Northwest; sporadically in the Middle States, the necessity for local currency developed at once a supply of it; and, where this was not the case, from city after city comes the word of how unfortunate were those who, not assisted by the enterprise of others, had none of their own to fall back upon. There is one general exception to be made—an exception which, however, proves the rule. It is this:

To the precise extent that—either by the use of clearing house certificates within the law, or by the violation of law in continuing discounts when their reserves were depleted—the banks of any section thus met the emergency, their customers and the community dependent upon them were relieved from the necessity which so generally came upon others of providing a special local currency. It was the New York banks that issued the greatest amount of clearing house certificates, and at the same time continued to assist their customers, even while their reserves were depleted; and, therefore, it was in the neighborhood of New York and her own great manufacturing establishments, in those of Newark, of Brooklyn, and of Long Island City, that it was unnecessary to look further for a supply of the currency they needed. The same was the case in Philadelphia, Chicago, Boston and their neighborhoods, in each of which cases either clearing house certificates, or loans of clearing house credits, enabled strong banks to aid weak ones. But in every case where the associated banks of a section were not in a position to supply the lack of currency or obviate the necessity of its use, individuals and corporations were compelled to do this.

In this way after the machinery so carefully adjusted by Government had utterly failed to work, the business common sense of our people readjusted its finances; and in every part of the land business started up again, manufacture continued, the laborer received his hire, and the merchant disposed of his goods. In not an instance, so far as I have been able to learn, did any community find any trouble in the use of what, in the absence of all restrictive laws, would have been—and what in defiance of them actually was—a perfectly natural bank-note currency. The whole American people promptly accepted—each locality upon its knowledge of the conditions there—the paper of individuals and institutions. And as a result of this experience—most widespread, and had under conditions least favorable to security other than the integrity of those who issued the notes, and the intelligence of those who were asked to accept them—there was not a single dollar lost.

Such was the honorable record of the emergency currency of 1893.

How Relief Came

By September 1st, 1893, the passage by the House of the repeal of the purchasing clause of the Sherman Act had both stopped inflation and quieted the worst apprehensions; and to $30,000,000 additional national bank currency and the volume of the emergency currency noted, which can be but vaguely estimated at $80,000,000, was already being added the $40,000,000 of gold which had been purchased in Europe for import hither. The panic collapsed as suddenly as it had been blown up; and, with dull business conditions for a year to come, the currency proved excessive.

With accession of confidence among the masses the petty hoards were returned to the savings

banks or paid out to merchants, and by them used to swell their bank credits; so that from $1,450,000,000 in October 1, 1893, the aggregate deposits in National banks alone arose to $1,529,000,000, December 19, 1894; $1,586,000,000, February 2, 1894; $1,671,000,000, May 4, 1894; $1,678,000,000, July 18, 1894, and $1,728,000,000, October 2, 1894. The emergency currency gave no trouble. By the process of natural redemption it disappeared so promptly that before the end of the year specimens became curiosities.

Such was the crisis of 1893, a situation brought about by the wanton interference of Government with business not its own; aggravated by legislation which had to be broken before the people could help themselves; relieved by enterprise overriding and evading restrictive law; and turned into a theme for the gayety of nations by the grotesque exhibition thus afforded of how depraved was the elaborate bank note currency system, upon which had been lavished so much of thankless labor.

THE MONEY DEBATE

With the crisis of 1893 and the continuing depression, Populists and agrarians generally became convinced that the root of all evil was to be found in an inadequate currency. The money debate, in America, therefore took on curious, flamboyant and emotional tones. The literature—on both sides—usually had little relation to economic fact; and, indeed, next to no effort was made to explore fundamental causes. That agriculture was suffering from a faulty credit mechanism—there was a complete absence of long-term and intermediate-term credit facilities—was completely lost sight of as the participants in the debate wrangled over silver and gold.

Coin's Financial School (the work of W. H. Harvey and published in 1894)—an amazing piece of propaganda and misinformation, filled with tales of plots and conspiracies—had an enormous popularity. It had many imitators, consequently, of which one of the better ones was Ignatius Donnelly's *The People's Money* (Chicago, 1895). Donnelly is not quite as brash as "Coin" Harvey; but he is almost as naïve and certainly as evangelical in fervor. The people, by political action, will triumph and, next to God, government fiat money is the "biggest thing on the planet."

J. Laurence Laughlin (1850–1933) entered the lists against Harvey and Donnelly and went up and down the country debating the silverites and fiat-money advocates. Laughlin had been trained at Harvard and had come to the new University of Chicago as professor of political economy. His *Facts about Money* (Chicago, 1895) is the record of one such debate. Laughlin seeks to answer seriously the misstatements of Harvey. And one of his more telling points has to do with the relationship between prices and gold. It is this chapter which is reprinted here. But Laughlin can be almost as emotional as Harvey and Donnelly, and at one place in his argument he is ready to accuse the silver interests of a conspiracy to destroy American civilization and drive us into economic barbarism along with silver-standard China and Mexico.

The result was confusion, of course, and the election campaign of 1896 was carried on in a highly charged atmosphere. It was not until 1913–16 that the first serious and statesmanlike efforts were made in the United States to do something about agricultural credit. (The relevant documents are presented in Part IX, below.)

The selections here reprinted are from Donnelly's *The People's Money* and Laughlin's *Facts about Money*.

The People's Money

BY IGNATIUS DONNELLY

THIRD DAY

THE GOSPEL OF GREED

"GOOD MORNING, Mr. Sanders. Are you too tired to talk this bright day?"

"Not at all; there are some themes I never tire of. I can say with Hamlet:

"'Why, I will fight with him upon this theme,
Until my eyelids do no longer wag.'

"Talk is words; but behind this discussion are tremendous things—the progress of development, the happiness of the world, the whole onflood or arrestment of humanity."

There was a pleasant-faced, fair-haired lady, of two or three and twenty, sitting upon the next seat across the aisle of the car. At this point she spoke up, addressing Mr. Sanders.

"Pardon," she said, "my mingling in your conversation; but I could not help but hear much of it yesterday, and I was greatly interested. I would like to ask you a question."

"Certainly," replied Mr. Sanders.

Mr. Hutchinson rose to his feet and said:

"Take my seat, madam, alongside of Mr. Sanders. You will hear better, and it does not affect me to ride backwards."

"Thank you," said the young lady, changing her place.

"I do not know," she continued, "anything about the financial questions, and I find many gentlemen equally ignorant; but I perceive that something is wrong. Three years ago my father was esteemed a rich man; now he is so poor that our family is broken up, and I am on my way to California to visit my father's brother, and hope to get a position as a teacher, so that I will not be a burden on any one. But I cannot understand why it is, while the earth retains its fertility and mankind continue industrious, that labor cannot perpetually create wealth; why it is that food is less in price than the cost of producing it, and yet millions cannot secure enough to buy it?"

"I tried to show yesterday," replied Mr. Sanders, "that these evils are due to a limitation upon the governmental medium of exchange, called money; an artificial interference with the natural conditions you speak of; a something, created by man, which cries out to the earth, 'stop multiplying thy seed;' to the muscles of man, 'stop thy toil;' to the mine, 'close up thy mouth;' to the ship, 'sweep no more before the streaming and triumphant wind;' to the wild beasts, 'you are safe in your fastnesses, for man shall advance no more;' to the whole human family, 'stand still and shrink and suffer.'"

"But is there not," asked the young lady, "a deeper cause than all this? Why, at this stage of the world's development, should this great calamity burst forth upon the world?"

"You are right, madam," replied Mr. Sanders, "there is a deeper cause—a something grounded on the very nature of the animal man. It is

HUMAN SELFISHNESS

"There are, we are told by the scientists, two great agencies operating upon the heavenly bodies —the centripetal force and centrifugal force; the one draws them together, and the other keeps them apart. The sun, by the first, would drag the earth into the fiery embrace of its gigantic flames; the other would send it flying off into boundless space. In the just balance and equipoise of these two huge powers the planets are held in their orbits and the harmony of the universe preserved.

"So there is in human nature a centripetal force of selfishness which draws everything to the individual, and a centrifugal force called philanthropy, which reaches out to the mass; and it is only by the interplay of these great powers that human society is possible. . . .

"And *kraft*, power, degenerates into *craft*, cunning; and *king* is derived from the same root as *cunning*. No better man lives than the individual Englishman, but this ruling class, in all ages, has been cruel, arrogant and heartless; as merciless to its own people as it was to all the rest of the world. But we need not abuse them. They are worse than others probably because they have had more opportunity than others. The qualities that go to make oppression are simply inordinate selfishness, which grabs all it sees and would make a dining table of the bodies of its dead victims. It has given up cannibalism, simply because there was an abundance of other kinds of food; but there isn't much difference between eating a man's body and devouring his substance so that he perishes. One is a physical, the other a moral cannibalism. And there are many men who would rather be eaten after death than eaten before death.

"But, oh! greed, greed, greed! . . .

"This whole battle between gold and silver is

nothing but the outcome of 'the hog in human nature.'"

"Indeed," said the young lady, "how do you prove that?"

"Simply enough," replied Mr. Sanders.

THE GOLD AND SILVER QUESTION

"Gold and silver were not made money by law. No international convention ever met, in the first instance, in the past ages, and agreed to adopt them. As I said the other day, they were first the *sacred* metals of our ancestors, and then became the *precious* metals, because they were used to adorn the temples of the earth's greatest gods, the sun and the moon. Merchants bought them wherever they traded, along savage or civilized coasts, because they knew the priests, on their return home, would give them food and clothes and jewels for them. But their whole use is a survival of primeval superstition. Their beauty and compactness made them, it is true, desirable, and so they passed from hand to hand in a world-wide barter; and hence, when governments came to coin money, the stamp was naturally affixed to fragments of these convenient yellow and white metals. They were valuable before they were money, and money before they were coined; and the barbarian races—rude and crude—had no idea of money that could not be weighed and melted; like some of our modern philosophers who will not believe there is anything in the universe that is not a ponderable entity. The limitations of their senses they mistake for the limitations of Divinity; and what they cannot see they swear is not. And hence we have a superstition of too little belief in place of the old-time superstition of too much belief. One set of old women has been driven off, and another set of old women, of the other sex, called philosophers, substituted in their place.

"Well," he continued, "just as the sun and moon moved through the heavens, in silent and harmonious beauty—the greater and the lesser lights—so these metals which represented them, the one golden and sun-like, the other silvern and moon-like, rode through the domain of human civilization, holding a relation in value much like the relation of the sun and moon in apparent size and power. And as God permitted kings, as temporary leaders, until republics could be established, so he gave to man the use of these metals, until the power and majesty of vast and civilized peoples could be understood and stamped upon paper, and the intrinsic money theory forever relegated to the limbo of old world superstitions.

"But down the ages these two metals came hand in hand for probably more than 20,000 years. There is no doubt they were the sacred metals of Atlantis eleven thousand years ago; and the legends tell us that there were ten thousand years between the settlement of Atlantis and its destruction. During many ages, when sun and moon worship was the religion of all civilized peoples these metals were honored next to the heavenly luminaries themselves.

"In all that vast lapse of time no attempt was ever made to divorce them until a quarter of a century ago, except in one instance, and that was in the year 221 A.D., and the lessons it teaches are most prophetic. Through Egyptian, Assyrian, Grecian and Roman civilization, the yellow and the white metals moved hand in hand, as the basis of commerce and the symbols of wealth. But in A.D. 221, in the reign of a vile emperor, for the purpose of still farther oppressing the suffering tax-payers of Rome and its provinces, and increasing the value of the money in which the taxes were paid, it was resolved to demonetize silver and make gold the only legal tender. The consequences were very much the same as those which have overtaken ourselves. A recent writer says:

"'Consequently prices fell lower and lower, the money-lenders received more and more in interest and principal, taxes became more and more burdensome, and producers were further discouraged by the constant depreciation of their property, which gradually fell into the hands of the creditor classes. The property of the producing classes being exhausted without paying their debts, they became the slaves of their creditors. All incentive to energy was destroyed and the classes that once formed the strength of Rome, from which the invincible legions were drawn—reduced as they were to slavery—were ready to welcome any change as a relief. At the same time while the producing classes were reduced to a state of slavery, the creditor classes fell into a state of growing moral corruption—a state that is always brought about by the possession of unearned gains. Thus reduced to impotency by slavery, ignorance, heathenism and moral corruption, the Roman Empire fell an easy victim to the hordes of barbaric Germans, who marched from one end of Italy to the other without meeting any serious resistance.'" . . .

THE SUN AND MOON

"But the point I was trying to call your attention to was that, just as the sun and moon moved together through the heavens, so these, their typical metals, moved side by side, for hundreds of centuries, in the affairs of mankind; and that it would be as great an invasion of the orderly ar-

rangements of nature to seek to pluck the moon from its orbit as it was to tear the white metal from the commercial firmament.

"If any great cause had rendered it probable that such a course would be advantageous to mankind, then it would have been proper for the civilized nations to have fully considered it, in newspapers, conventions, legislative chambers, and in discussions by a million firesides; weighing carefully all the arguments for and against such a step, before taking action upon it. See the tremendous debate that is now going on, all over the world, as to the restoration of silver to its ancient orbit. Even such a debate, with such a clamor of tongues, with such an array of facts, figures and authorities, should have preceded any attempt to tear it out of the commercial sky. Instead of that, silver was not the victim of an open and public war; it was secretly slain by the stilettos of hired banditti, in the darkness of the night."

HOW SILVER WAS DEMONETIZED

"That charge," said Mr. Hutchinson, "has been made a hundred times and a hundred times disproved."

"Yes," said the young lady, "I read an article on the subject in 'The Light of Zion,' the day before I left home, which clearly shows that it was publicly repealed with the full knowledge of the whole country. I do not know much upon the subject myself, but I cannot believe a respectable newspaper would misrepresent the facts."

"Misrepresent!" cried Mr. Sanders; "why, my dear young lady, the newspapers of to-day would misrepresent anything. If there was any considerable sum of money to be made by it they would unite in denying the existence of God! If a million dollars were at stake they would so blackguard the memory of George Washington that the State of Virginia would rise up and throw his ashes into the Potomac! 'Misrepresent!' God gave man the alphabet, and the devil gave him the daily press. The first widens the area of his knowledge and the second perverts truth and darkens understanding.

"But here," he continued, "is the proof that the demonetization of silver was a secret fraud and trick and crime. Go search all the newspapers of the United States for the year 1873, for weeks and months before and after the passage of the act, and you cannot find the slightest reference to the fact that the mints of the United States had been closed against the coinage of a money-metal more ancient than the pyramids or the tower of Babel. Not a word; not a syllable. There were numerous telegrams from Washington, at that time, on all sorts of inconsequential matters, but not a sentence as to a change in our laws which is now widely and deeply agitating the people of our whole country, and indirectly of the whole world.

"Take all the platforms, state or national, of all the parties, since the formation of our government down to and including 1873, and I challenge the defenders of this iniquity to put their fingers upon a single declaration demanding the demonetization of silver, or demanding anything hostile to the white metal. There is nothing of the kind. By what right did Congress dare to make such a radical and fundamental change in the financial system of this country without being urged to do so by any political party of any kind? Nothing but bribery and corruption of the rankest description could account for such a step.

"Call the roll of all the eminent men of this nation, since the constitution was adopted, down to and including 1873—men of all creeds and parties and sections—and where can a word or a line be quoted from any of their written or spoken utterances, asking that the doors of the mints be closed in the face of the prehistoric white metal? There is not one. Do you know of any?"

"I cannot say I do," replied Mr. Hutchinson.

"Well, do you know of any declaration of any platform, prior to 1873, demanding the demonetization of silver?"

"I have not looked into the matter," said Mr. Hutchinson, "and therefore cannot answer your question."

"I will go a step farther," said Mr. Sanders. "I undertake to say that from 1873 to this hour no national political party has ever dared to commend or make itself responsible for that act of 1873, or to sustain the demonetization of silver, except by trick and indirection."

"Do you mean to say," inquired the banker, "that the Republican party did not, in 1892, declare for the gold standard?"

"Certainly not," said the farmer. "Here is what they said" (consulting his note book):

"'The American people, from tradition and interest, favor bi-metallism, and the Republican party demands the use of both gold and silver as standard money, with restrictions and under such provisions to be determined by legislation, as will secure the maintenance of the parity of values of the two metals, so that the purchasing and debt-paying power of the dollar, whether of silver, gold or paper, shall be at all times equal.'"

"Ah," said Mr. Hutchinson, "there you see the proviso is bigger than the resolution."

"I have no doubt," was the reply, "that the man who drew that plank intended it for a trick and

a subterfuge; but even then there is no approval of the act of 1873, and there is nothing in it inconsistent with the restoration of silver to its ancient position."

"I do not so understand it," said the other. "Observe what it says about 'parity of values' and debt-paying powers. Does not that mean demonetization of silver?"

"I do not undertake to say," was the reply, "what the trickster meant who drew it, but the resolution, I repeat, is not inconsistent with true bi-metallism. The 'parity of values' we had at all times prior to 1873. If there was any difference it was on the side of silver, which was at a premium over gold when it was demonetized. And even now, in spite of demonetization, the silver dollar in this country is at a parity of value with the gold dollar, and yet there is no law to compel the government to redeem silver in gold."

"Do you mean to say," inquired the young lady traveler, "that silver was worth more than gold when it was denied the right of being coined?"

"Certainly," said Mr. Sanders. "That is well understood."

"What excuse was there, then," she inquired, "for demonetizing silver, especially if no political party and no leading statesmen had demanded it?"

"There was none. It was sheer villainy. Not even the supple newspapers asked for anything of the kind. In the midst of silence, and in the darkness of the night, the evil deed was consummated, and to this hour nobody will stand sponsor for it."

"I deny," said Mr. Hutchinson, "that it was done in the darkness of the night." . . .

HOW THE CRIME WAS ACCOMPLISHED

"That the demonetization of silver was, as these Congressional witnesses testify (and every word, be it observed, is taken from the official record, page and book given), that it was, I say, a 'colossal swindle,' the work of a 'burglar in the house at midnight,' is shown by the very nature of the bill. Was it entitled 'an act to demonetize silver?' Not at all. It seemed to be purely a measure in relation to the mints and the details of coinage. Nor does it anywhere appear that the act, by any section or part of section, pronounces the doom of the white metal in any direct fashion. Not at all. The deadly work is accomplished not by a declaration of purpose or principle, but by *an omission*, in a catalogue of coins, to name the standard silver dollar of the fathers! Here is the cunning shape in which the villainy hides itself—this is the language that did the work we are all lamenting to-day:

" 'That the gold coins of the United States shall be a one dollar piece, which, at the weight of twenty-five and eight-tenth grains shall be the unit of value.

" 'That the silver coins of the United States shall be a trade dollar, a half dollar or fifty-cent piece, a quarter dollar or twenty-five-cent piece, a dime or ten-cent piece; and said coins shall be a legal tender at their nominal value for any amount *not exceeding five dollars* in any one payment.

" 'That no coins, either gold or silver, or minor coinage shall hereafter be issued from the mint, other than those of the denominations, standards and weights herein set forth.' (17 statutes, 424.)

"Imagine an honest member of Congress trying, in the midst of the uproar of legislation, to keep track of what that bill meant. He could only do so by comparing it word for word with the existing statute; thereby he might have discovered that the standard dollar was omitted from the list of silver coins. . . .

"But our Republican newspapers," said Mr. Hutchinson, "have claimed that whole columns of the Congressional Record were devoted to the discussion of the bill."

"That is another trick," replied the farmer; "a bill to codify existing laws as to the mints had been up before two or three successive congresses, and had been discussed, but the discussion did not touch the question of the demonetization of silver. Indeed, the bill of 1873 as it passed the house contained the standard silver dollar, but, as Senator Allison says, it was '*doctored*' in the Senate, and the standard dollar was stricken out and the 'trade dollar' substituted, and this was declared legal tender only for debts of five dollars or less. There is where the knife went in."

THE TRADE DOLLAR

"What was the trade dollar?" inquired the young lady.

"It was called the 'trick dollar,'" replied Mr. Sanders. "It contained 420 grains of silver, while the standard dollar contained only 412½ grains. It was part of the work of the conspiracy. It was coined on the pretense that it would be preferred by the people of China and India, in trade, because it contained more silver. It was really made to fit into the niche of the demonetization of the standard dollar. It was easier to slip in 'trade' for 'standard' in the act than to name no silver dollar of any kind. That vacuum might attract attention."

"What became of the trade dollar?" inquired the young lady. "I do not remember seeing any of them."

"No; they soon disappeared," replied Mr. Sanders. "Three years after they had been fraudu-

lently used to displace our legal tender dollars, the subservient Congress passed an act, July, 1876, which provided that 'the trade dollar shall not hereafter be a legal tender.' That finished their hash."

"How so?" said the young lady.

"The bankers, Mr. Hutchinson's brethren," said Mr. Sanders with a smile, "having deprived them of their legal tender character, and the object for which they had been coined having been accomplished, refused to take them for more than 90 cents on the dollar; and the price at once fell to that. They showed great magnanimity; they might just as well have made it 40 cents on the dollar. Every one who had a legal tender dollar had to take it to a bank and swap it for ninety cents, and take his pay in standard dollars. Thus he exchanged 420 grains of silver for 412½ at a discount of 10 per cent.; gave more for less and paid a bonus to effect the trade."

"Why," said the young lady, "I thought the value of money was fixed by the intrinsic value of the metals of which it was composed."

"All nonsense," replied the farmer. "There is the demonstration of it. The coin with 7½ grains more of silver in it would not circulate at all, because it was not legal tender, while the coin with the 7½ grains less silver, being legal tender, is worth 10 per cent. more than the coin of greater intrinsic value. Intrinsic humbug!"

"Ah, there is the mistake all your school of statesmen make," said Mr. Hutchinson. "You rest all your faith on 'fiat.' But it is time to give up the discussion. I see our young friend is yawning. Let us resume the subject to-morrow."

"I am not at all tired," replied the young lady. "Indeed, I am intensely interested. I have obtained many new ideas. We women are going to vote some day, and we should inform ourselves on all governmental questions."

Facts about Money

BY J. LAURENCE LAUGHLIN

Chapter XIII: Shrinkage of Prices and Scarcity of Gold

The constant iteration of statements about the scarcity of gold, the "demonetization of silver" in 1873, and the fall of prices since 1873, have led many people to acquiesce in the opinion that a shrinkage of prices has taken place since 1873 owing to a contraction of the metallic circulation. This belief has been too long accepted without an examination of the facts underlying it. Facts, not theories about what may happen if something is done for silver, are now needed. Since silver has been given up quite largely by Europe in and after 1873, the argument generally rests on the insufficient supply of gold. As gold is now the usual money of commerce, and since prices have fallen, it is argued that gold has risen away from goods. And to strengthen this reasoning, it is said that silver and goods have kept together in price relatively to gold; so that the apparent fall of silver and goods is said to be really only an appreciation of gold. And if silver and goods did really keep together in value this argument might have some plausibility. For if silver should buy as many goods to-day as in 1873, it might naturally appear that silver and goods had not fallen, but that gold had risen away from them. On these points let us examine the facts.

(1) The argument that the general fall of prices since 1873 has been due to a scarcity, and consequent dearness of gold, is fatally defective, because it does not agree with the facts. In looking at general prices, money on the one hand is to be compared with all commodities on the other hand; if the fall in prices has been due to a scarcity of gold, the effect should have been felt upon all the commodities in general which are compared with gold. The table of Hamburg prices of 100 articles published by Dr. Soetbeer furnishes material to test this question. I have collected twenty-one articles, out of the 100 quoted at Hamburg, which show an upward tendency, by comparing the average prices of 1881–85 with those of 1874–75. The average of the numbers representing the prices of these twenty-one articles in the period of 1871–75 was 164.2, and in 1881–85 183.8. In the same lists there can be found at least twenty-one articles which have shown a decided tendency to fall in price. The remaining articles do not show a market movement in either direction. Forsell makes an interesting analysis of the whole 100 into two groups, classifying those which show a tendency to rise and those which show a tendency to fall. In the first class he includes fifty-one articles, and in the second forty-nine articles, with the following results in averages:

	1847–50	1851–60	1861–70	1871–75	1876–80	1881–85
I....	100	125.3	130.3	147.1	143.7	146.4
II...	100	109.7	114.6	121.7	103.7	96.7

Whether to draw inferences as to a scarcity of gold from forty-nine articles, or to infer that gold was abundant, according to the prices of fifty-one articles, is an awkward dilemma for those who think that "prices give direct evidence as to the quantity of money." From this it can be seen that the fall of prices has not been universal; and that it is unsafe to ascribe the fall of prices of some goods to a cause like an appreciation of gold, which ought to affect the prices of all goods alike.

(2) There are other difficulties, however, in the way of accepting the theory that prices fell because of the demonetization of silver and the scarcity of gold. The extravagant statement has been made by the advocates of free silver that demonetization in 1873 cut off from the world an enormous volume of silver coin hitherto used in performing the world's exchanges. Now, there is absolutely no truth in this. Even granting that prices would have fallen because of a diminution of the money metal, there is, as I have shown in Chapter V, more silver in circulation in the world to-day than in 1873. Therefore, on the theory that the level of prices depends solely on the quantity of metallic money, which I cannot admit, prices ought not to have fallen. When Germany replaced silver with gold it did not eject in all more than $300,000,000 of silver; about $110,000,000 of the old silver thalers are still in circulation. Moreover, although the Latin Union stopped free coinage of silver in 1874, it continued to coin and accumulate silver until 1878. In 1878 the United States began to introduce silver into circulation, which now amounts to over $550,000,000. A great deal more silver has been added to the world's circulation of money than was subtracted from it by Germany; and every other country is using as much or more of it than in 1873. Now these are substantial facts. If, then, there has been no diminution of the use of silver as money, surely even on the quantity theory there can be no reason whatever to believe that the fall of prices has been due to a contraction of the world's supply of money. This is the less possible when we consider how enormous has been the production of gold annually up to the present time.

(3) Moreover, instead of gold being "scarce," there is every evidence that it is abundant, and that it is the easiest thing to get when one has valuable articles to offer for it. In the last chapter it was found to be difficult to explain where all the enormous existing supply of gold, amounting to $7,500,000,000, had gone. At least $1,000,000,000 was unaccounted for. There seems to be this amount in excess of the visible demand for gold both for money and for the arts.

The great production of gold since 1850 has been filling up the countries of the world. Dr. Soetbeer made a study in 1886 of the gold in the civilized countries, and found a steadily increasing stock as follows (in millions of dollars):

1877	1878	1879	1880	1881	1882	1883	1884	1885
722	712	875	947	975	1,017	1,150	1,170	1,260

So that in 1885 there was nearly double the amount of gold to be found as compared with that of 1877.

Taking another method, I have examined the reservoirs of gold in civilized countries in the leading banks, with the result that there is in 1895 50 per cent more gold than in 1887, as may be seen from the following table (in millions of dollars):

Year	Gold	Silver
1887	836.6	....
1888	936.4	....
1891	872.6	421.9
1892	1,048.8	416.2
1893	1,031.6	424.8
1894	1,197.3	437.7
1895 (end first quarter)	1,248.2	442.8

The slight increase in the holdings of silver is significant of the distrust of the future value of that metal.

Moreover, the paper money of the world is better protected with gold than it was about 1873. "In 1871–74 there was $1 of gold for every $3.60 of paper circulation. In 1885 there was $1 of gold for every $2.40." And in 1893 there was $1 of gold for about $2.30. In short, wherever we put in the probe there is to be found evidence of an increasing and abundant supply of gold.

Nor can it be said that the general volume of money in the United States has been contracted. . . .

This shows that from 1860 to 1892 the volume of currency increased 367.7 per cent, while prices fell on an average only 8 per cent. But, if it be objected that, even with this increase of currency, transactions had increased so much that the money was insufficient to keep prices from falling, we have a record by which to judge of this increase of transactions. This record is to be found in the clearings. Now, mark the result. To appeal to the clearings is, of course, the only record; but, yet, the clearings furnish the amounts of exactly those transactions which, as has been carefully explained in Chapter VIII., are settled without the use of money to any extent. From this chart, then, it is to be seen that the movement of prices has

not shown any correspondence with the change in the volume of currency. While the currency increased in volume, and while about $600,000,000 of silver have even been added to our circulation since 1878, prices have at least not risen.

(4) In arguing about the scarcity of gold and the fall of prices, some people compare gold with the price of a particular unit of product, as a yard of cloth, a pound of sugar. Now that is an error which shows our inability to understand what is really going on in the industrial world. The fallacy is in comparing gold, not with the whole value of the product of the industry, but with a single piece of the product. Suppose a cotton mill producing 100,000 yards of cotton cloth at 10 cents per yard, equal to $10,000. Now, improvements are adopted by which the mill puts forth 150,000 yards; then the price falls, say, to 6 2–3 cents a yard. Thereupon the 150,000 yards at 6 2–3 cents sells for $10,000, as before. Although the production in yards is larger, no more money is needed to exchange the goods; and although the price has fallen, it does not at all follow that gold is scarce.

There are, therefore, two wrong assumptions made by the silver men:

(a) That greater quantity of product requires more money; and,

(b) That a fall of price means a scarcity of money.

Now, just such movements in production and price as are here described are the characteristics of modern trade and business. They are patent to everyone.

(5) Moreover, it is false reasoning to assume that because prices have fallen gold is scarce. The price of an article, we know, is the amount of money for which it will exchange. Price is the ratio between gold and a commodity. The value of the ratio may change either from causes affecting the money term of the ratio, or the commodity term. A ton of steel, for instance, will exchange for the number of grains of gold in $60. For example, if nothing has happened to affect gold in any way, and yet, by reason of improved processes, a ton of steel could be made for one-half its former cost, a ton of steel would exchange for but one-half as much gold as formerly; that is, for the number of grains in $30. The price of steel thus has fallen for reasons affecting the commodity term of the ratio in the ratio between gold and steel. In so simple a case as this, we can understand at once that prices may fall or rise from causes affecting alone the commodities which are compared with gold. It may happen, of course, that a change of price may come about from causes affecting only the gold side of the ratio; but this is not always or necessarily the case. Therefore, to argue that the decline of prices since 1873 is an evidence of scarcity of gold is pure assumption; because of the abundance of goods, the fall may have nothing whatever to do with the abundance or scarcity of gold.

If gold is cheapened, goods buy more of gold (or prices rise); or, if goods are cheapened, without any change whatever affecting gold, goods buy less of gold (or prices fall). There is nothing sacerdotal about gold; it is not an unvarying measure. Why? Clearly because there never can be anything which remains absolutely unchanged in value. And the reason is very simple. Gold is compared with goods in general: the value of gold is what it will exchange for of these goods. Hence, if there be a change, a cheapening, for instance, of any one of the thousands of goods exchanged against gold, gold will exchange for a different amount of these goods—that is, its value will have changed. It is perfectly clear, then, that gold can change in value because of alterations in any of the goods for which gold is exchanged. This, it is equally clear, can take place without implying any change whatever in the money or gold term of the ratio. This cannot be too clearly stated, for it is often assumed that a change in the value of gold relatively to goods—or prices—necessarily implies an abundance or scarcity of gold. These causes may act, but they are far from being the only ones. This explanation shows how just was Secretary Carlisle's statement in his speech at Memphis: "I presume, however, that even the most ardent advocate of free coinage would be willing to admit that the invention and use of labor-saving machinery, the extension of our railroad systems, the improvement of our waterways and the great reductions in the rates for carrying freight, the employment of steamships, the use of the telegraph on the land and under the sea, the application of electricity in the production of light, heat and power, the utilization of by-products which were formerly wasted, the introduction of more economical methods in the processes of production, the wonderful advance made by our laborers in skill and efficiency, the greatly reduced rates of interest paid for the use of capital, and many other things which it would require much time to enumerate and explain have affected prices in some measure, at least, and yet they ignore all these great influences in their argument upon the subject and attribute the lower prices of commodities to a single alleged and inadequate cause—the appreciation of gold."

Even if gold had retained its usual conditions of production, yet such a set of forces working to

reduce the cost of goods would have disclosed a general, although varying, fall of prices, in so far as improvements affected goods in general. Yet, contemporaneously with the phenomenal cheapening in the cost of the goods, there has appeared the most extraordinary increase in the production of gold ever known since the world began. Never before in history has the gold product equaled that of 1894, or $182,000,000; and remember that the exceptional production of gold has been going on since 1850; and remember, too, that gold is durable and that the total supply is all that has been brought over from all past years. So that there have been two great changes going on, each capable of affecting prices; and what is the resultant? Goods ought to have fallen in a special way, because of cheapened cost; for that would have lowered their prices expressed in gold. Why have prices not fallen more than 8 per cent since 1860? Because the great production of gold has come just at the same time to lower its own value; for this would tend to raise prices and offset the opposite fall of goods. So the one force counteracted the other; the fall in gold masked the cheapened cost of goods. Both gold and goods have been cheapened together; and that is the reason why labor can to-day command more both of gold and goods than ever before. That is why workingmen see no help in free coinage of silver. They have no desire to put up prices of the articles they buy by introducing a depreciated standard. Racking the standard of prices up and down by tampering with its value is a wild and reckless policy. And to assume that the present standard needs tampering with on the ground that prices have fallen because gold is scarce, is to propose a reckless policy on a reason absolutely contrary to the facts and based merely on theoretical abstractions.

But yet it may be seriously believed that prices have already been depressed by the creditor class in order to increase the load of indebtedness on the people. It is said that the act of 1873 established a standard of gold, that gold is insufficient in supply, and that prices estimated in gold have consequently fallen. The reader, however, will recall that gold has been the standard in which prices have been expressed since soon after 1834 (with the exception of the period of depreciated paper money, 1862–1879) up to date, and that no silver was driven out by the act of 1873. There has, therefore, been no contraction whatever of our circulation since 1873. In fact, since resumption of specie payments in 1879, the amount of our circulation has steadily expanded. And there is more gold and silver by over $1,000,000,000 in circulation in the United States to-day than in 1873.

It has been shown that the phenomenal production of gold since 1850 of $5,840,000,000 has made it abundant; that it is difficult to account for a demand for the whole of it. And it was this abundance that led France from 1850 to 1865 and even later to absorb gold and let silver go; the United States in 1853 clung to its gold and let the silver be reduced in weight from 371¼ grains to 345.6 grains; Germany took of the abundant supply of gold and also let its silver mainly go in 1873; after 1874, when silver, finding itself elbowed out of the currencies by gold, fell in value, then the Latin Union refused to accept the depreciating silver at its old value of 15½ to 1 at the mints and ceased to allow its free coinage at that price. The whole difficulty was that gold, being abundant and being preferred by modern commercial nations having international transactions on a large scale, the heavier metal was discarded. It was just the same as discarding the slower stage coach when railways became available. Gold as the better instrument was preferred to silver. All legislation merely reflected the commercial needs and preferences of Europe. It was not mere law which caused the fall of silver. It was the discarding of silver by the needs of commerce which led to its fall; and this was done because gold had become abundant. The real cause of the fall in the value of silver, back of legislation, was the abundance of gold.

But if the fall of prices since 1873 were due (as it was not) to a scarcity of gold, why is it that wages, as expressed in gold, have risen? A day's labor to-day commands more gold by 8 per cent than in 1873. If we go back farther than 1873 we find an exceptional increase of wages. The increase in wages in the last fifty years is a well-known fact in our statistical investigations. A most decisive point, therefore, to convince us that gold has become cheaper, is found in this well-known rise of wages of late years. That is, as compared with gold, labor, or the services of human beings, can command more gold to-day than at any other time in the history of the world. This is a striking and important fact upon which we may well ponder. If gold is becoming scarce, why should labor command an increasing share of it? In short, it is a mere theory, unsupported by facts, that prices fell since 1873 because of a lack of gold. Prices have fallen, as producers all know, because of improved means of manufacture, diminished cost of production, opening up of the new wheat and agricultural regions, and because of all the results of the most marvelous march of invention the world has ever seen in any century. Gold has also fallen in value because of its lessened cost, and the

joint result of the fall of goods and the fall of gold is that prices are not much different from the level of 1860. And labor commands both more gold and more goods than before. Nor could prices have fallen since 1873 because of the disuse of silver, because there is more legal tender silver in circulation to-day than in 1873. In short, this talk of silver and prices is based on mere imagination. It is, therefore, not true that prices have been depressed by a shrinkage of gold. . . .

THE UNITED STATES AND THE WORLD

EXPANSION

CLEAR AS America's future as a world empire seemed to Josiah Strong in 1882, that mission was even more apparent at the end of the next decade. American naval power had driven Spain from the seas; Cuba was free, Puerto Rico was an American possession, and the Philippines were coming under American control in spite of revolt and some dissenters at home. Yet, while America was extending her power across the Pacific and European nations wrangled over the remaining spoils of China and Africa, the Russian Czar summoned a Peace Conference to meet at The Hague in 1899. One of the accomplishments of the meeting was the creation of a Permanent Court of Arbitration and it was concerning this achievement that Captain Mahan, one of the United States' delegates at the conference, chose to express his dissent.

Alfred Thayer Mahan (1840–1914) had won wide European recognition by his *Influence of Sea Power upon History* (1890) and the *Influence of Sea Power on the French Revolution and Empire* (1892). Mahan had been called from routine naval duties to lecture on naval tactics and history at the War College in 1885 and his later work had grown out of those studies. His books discussed the role of sea power in history just as events were bringing the significance of naval strength into sharper focus: a new power was rising on the Continent and Wilhelm II's Germany meant to be strong on sea as well as on land.

Mahan had retired in 1896 but when the Spanish-American War broke out he was summoned to serve on the board of naval strategy. His real influence was with statesmen and the public rather than among professional naval men, however; Mahan seems to have suffered from his Annapolis repute for punctiliousness as well as for his fame as a writer on naval history.

After the war, Mahan turned to the magazines to give a popular view of the basic concepts of naval warfare. Such knowledge would help prevent outbursts of panic like that which had shaken the people of the Atlantic seaboard when the Spanish fleet sailed west. An informed public, moreover, could exert "intelligent pressure" on its representatives and so provide for war during peace rather than in the atmosphere of actual conflict.

Mahan's appeal to public opinion went beyond recommending mere preparation for war. He urged that the American people be cautious in their acceptance of any plan for the compulsory arbitration of disputes among nations. Even in domestic affairs there may be a higher rule than law; but since law is supported by force, a citizen may yield to law against his judgment without necessarily violating his conscience. But if a nation yields to what it considers the unjust decision of an international tribunal, it submits to an authority imposed by itself and therefore, Mahan argues, commits an offense against true morality. War is not the worst resort, he continues, for mankind has ascended by means of the sword. Nations are obligated to maintain right by force in proportion to the power God has seen fit to repose in them. While nations are to hold that power under the control of heart and intellect, they cannot be hampered by compulsory arbitration agreements: world history is too complicated to be governed by the rules or even the principles of law.

In his essay on the future of the United States as a colonial power, Mahan continues to develop his ideas on the moral duties of nations. To protect the new possessions of the United States requires an increase of naval power; moreover, new island bases are needed as positions from which naval power may be exerted. The commercial advantages of such outposts called for no discussion or support, but the method of governing them was a matter for consideration. Britain's example in India and Egypt was serviceable at this point, since it was an object lesson in the wisdom of a colonial policy at once firm and beneficent. For, whatever might be the economic and strategic uses of overseas possessions, they must be ruled in the interests of local welfare. Power brought rewards, but it also brought responsibilities. As a mature nation, the United States must shirk neither advantage nor the duties imposed by it. Thus Mahan, America's philosopher of war and of imperialism.

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The Lessons of the War with Spain

BY ALFRED T. MAHAN

The Peace Conference and the Moral Aspect of War

There is unquestionably a higher law than Law, concerning obedience to which no other than the man himself, or the state, can give account to Him that shall judge. The freedom of the conscience may be fettered or signed away by him who owes to it allegiance, yet its supremacy, though thus disavowed, cannot be overthrown. The Conference at The Hague has facilitated future recourse to arbitration, by providing means through which, a case arising, a court is more easily constituted, and rules governing its procedure are ready to hand; but it has refrained from any engagements binding states to have recourse to the tribunal thus created. The responsibility of the state to its own conscience remains unimpeached and independent. The progress thus made and thus limited is to a halting place, at which, whether well chosen or not, the nations must perforce stop for a time; and it will be wise to employ that time in considering the bearings, alike of that which has been done, and of that which has been left undone.

Our own country has a special need thus carefully to consider the possible consequences of arbitration, understood in the sense of an antecedent pledge to resort to it; unless under limitations very carefully hedged. There is an undoubted popular tendency in direction of such arbitration, which would be "compulsory" in the highest moral sense,—the compulsion of a promise. The world at large, and we especially, stand at the opening of a new era, concerning whose problems little can be foreseen. Among the peoples, there is manifested intense interest in the maturing of our national convictions, as being, through Asia, newcomers into active international life, concerning whose course it is impossible to predict; and in many quarters, probably in all except Great Britain, the attitude toward us is watchful rather than sympathetic. . . .

It was inevitable that thoughts like these should recur frequently to one of the writer's habit of thought, when in constant touch with the atmosphere that hung around the Conference, although the latter was by it but little affected. The poet's words, "The Parliament of man, the federation of the world," were much in men's mouths this past summer. There is no denying the beauty of the ideal, but there was apparent also a disposition, in contemplating it, to contemn the slow processes of evolution by which Nature commonly attains her ends, and to impose at once, by convention, the methods that commended themselves to the sanguine. Fruit is not best ripened by premature plucking, nor can the goal be reached by such short cuts. Step by step, in the past, man has ascended by means of the sword, and his more recent gains, as well as present conditions, show that the time has not yet come to kick down the ladder which has so far served him. Three hundred years ago, the people of the land in which the Conference was assembled wrenched with the sword civil and religious peace and national independence from the tyranny of Spain. Then began the disintegration of her empire, and the deliverance of peoples from her oppression, but this was completed only last year, and then again by the sword—of the United States.

In the centuries which have since intervened, what has not "justice, with valor armed," when confronted by evil in high places, found itself compelled to effect by resort to the sword? To it was due the birth of our own nation, not least among the benefits of which was the stern experience that has made Great Britain no longer the mistress, but the mother, of her dependencies. The control, to good from evil, of the devastating fire of the French Revolution and of Napoleon was due to the sword. The long line of illustrious names and deeds, of those who bore it not in vain, has in our times culminated—if indeed the end is even yet nearly reached—in the new birth of the United States by the extirpation of human slavery, and in the downfall, but yesterday, of a colonial empire identified with tyranny. What the sword, and it supremely, tempered only by the stern demands of justice and of conscience, and the loving voice of charity, has done for India and for Egypt, is a tale at once too long and too well known for repetition here. Peace, indeed, is not adequate to all progress; there are resistances that can be overcome only by explosion. What means less violent than war would in a half-year have solved the Caribbean problem, shattered national ideas deep rooted in the prepossessions of a century, and planted the United States in Asia, face to face with the great world problem of the immediate future? What but war rent the veil which prevented the English-speaking communities from seeing eye to eye, and revealed to each the face of a brother? Little wonder that a war which, with comparatively little bloodshed, brought such consequences, was followed by the call for a Peace Conference!

Power, force, is a faculty of national life; one of the talents committed to nations by God. Like every other endowment of a complex organization, it must be held under control of the enlightened intellect and of the upright heart; but no more than any other can it be carelessly or lightly abjured, without incurring the responsibility of one who buries in the earth that which was intrusted to him for use. And this obligation to maintain right, by force if need be, while common to all states, rests peculiarly upon the greater, in proportion to their means. Much is required of those to whom much is given. So viewed, the ability speedily to put forth the nation's power, by adequate organization and other necessary preparation, according to the reasonable demands of the nation's intrinsic strength and of its position in the world, is one of the clear duties involved in the Christian word "watchfulness,"—readiness for the call that may come, whether expectedly or not. Until it is demonstrable that no evil exists, or threatens the world, which cannot be obviated without recourse to force, the obligation to readiness must remain; and, where evil is mighty and defiant, the obligation to use force—that is, war—arises. Nor is it possible, antecedently, to bring these conditions and obligations under the letter of precise and codified law, to be administered by a tribunal; and in the spirit legalism is marked by blemishes as real as those commonly attributed to "militarism," and not more elevated. The considerations which determine good and evil, right and wrong, in crises of national life, or of the world's history, are questions of equity often too complicated for decision upon mere rules, or even principles, of law, international or other. The instances of Bulgaria, of Armenia, and of Cuba, are entirely in point, and it is most probable that the contentions about the future of China will afford further illustration. Even in matters where the interest of nations is concerned, the moral element enters; because each generation in its day is the guardian of those which shall follow it. Like all guardians, therefore, while it has the power to act according to its best judgment, it has no right, for the mere sake of peace, to permit known injustice to be done to its wards.

The present strong feeling, throughout the nations of the world, in favor of arbitration, is in itself a subject for congratulation almost unalloyed. It carries indeed a promise, to the certainty of which no paper convenants can pretend; for it influences the conscience by inward conviction, not by external fetter. But it must be remembered that such sentiments, from their very universality and evident laudableness, need correctives, for they bear in themselves a great danger of excess or of precipitancy. Excess is seen in the disposition, far too prevalent, to look upon war not only as an evil, but as an evil unmixed, unnecessary, and therefore always unjustifiable; while precipitancy, to reach results considered desirable, is evidenced by the wish to *impose* arbitration, to prevent recourse to war, by a general pledge previously made. Both frames of mind receive expression in the words of speakers, among whom a leading characteristic is lack of measuredness and of proportion. Thus an eminent citizen is reported to have said: "There is no more occasion for two nations to go to war than for two men to settle their difficulties with clubs." Singularly enough, this point of view assumes to represent peculiarly Christian teaching, willingly ignorant of the truth that Christianity, while it will not force the conscience by other than spiritual weapons, as "compulsory" arbitration might, distinctly recognizes

the sword as the resister and remedier of evil in the sphere "of this world."

Arbitration's great opportunity has come in the advancing moral standards of states, whereby the disposition to deliberate wrongdoing has diminished, and consequently the occasions for redressing wrong by force the less frequent to arise. In view of recent events however, and very especially of notorious, high-handed oppression, initiated since the calling of the Peace Conference, and resolutely continued during its sessions in defiance of the public opinion—the conviction—of the world at large, it is premature to assume that such occasions belong wholly to the past. Much less can it be assumed that there will be no further instances of a community believing, conscientiously and entirely, that honor and duty require of it a certain course, which another community with equal integrity may hold to be inconsistent with the rights and obligations of its own members. It is quite possible, especially to one who has recently visited Holland, to conceive that Great Britain and the Boers are alike satisfied of the substantial justice of their respective claims. It is permissible most earnestly to hope that, in disputes between sovereign states, arbitration may find a way to reconcile peace with fidelity to conscience, in the case of both; but if the conviction of conscience remains unshaken, war is better than disobedience, —better than acquiescence in recognized wrong. The great danger of undiscriminating advocacy of arbitration, which threatens even the cause it seeks to maintain, is that it may lead men to tamper with equity, to compromise with unrighteousness, soothing their conscience with the belief that war is so entirely wrong that beside it no other tolerated evil is wrong. Witness Armenia, and witness Crete. War has been avoided; but what of the national consciences that beheld such iniquity and withheld the hand?

The Relations of the United States to their New Dependencies

In modern times there have been two principal colonizing nations, which not merely have occupied and administered a great transmarine domain, but have impressed upon it their own identity—the totality of their political and racial characteristics—to a degree that is likely to affect permanently the history of the world at large.

These two nations, it is needless to say, are Great Britain and Spain. Russia, their one competitor, differs from them in that her sustained advance over alien regions is as wholly by land as theirs has been by sea. France and Holland have occupied and administered, and continue to occupy and administer, large extents of territory; but it is scarcely necessary to argue that in neither case has the race possessed the land, nor have the national characteristics been transmitted to the dwellers therein as a whole. They have realized, rather, the idea recently formulated by Mr. Benjamin Kidd for the development of tropical regions,—administration from without.

The unexpected appearance of the United States as in legal control of transmarine territory, which as yet they have not had opportunity either to occupy or to administer, coincides in time with the final downfall of Spain's colonial empire, and with a stage in the upward progress of that of Great Britain, so marked, in the contrast it presents to the ruin of Spain, as to compel attention and comparison, with an ultimate purpose to draw therefrom instruction for the United States in the new career forced upon them. The larger colonies of Great Britain are not indeed reaching their majority, for that they did long ago; but the idea formulated in the phrase "imperial federation" shows that they, and the mother country herself, have passed through and left behind the epoch when the accepted thought in both was that they should in the end separate, as sons leave the father's roof, to set up, each for himself. To that transition phase has succeeded the ideal of partnership, more complex indeed and difficult of attainment, but trebly strong if realized. The terms of partnership, the share of each member in the burdens and in the profits, present difficulties which will delay, and may prevent, the consummation; time alone can show. The noticeable factor in this change of mind, however, is the affectionate desire manifested by both parent and children to ensure the desired end. Between nations long alien we have high warrant for saying that interest alone determines action; but between communities of the same blood, and when the ties of dependence on the one part are still recent, sentiments—love and mutual pride—are powerful, provided there be good cause for them. And good cause there is. Since she lost what is now the United States, Great Britain has become benevolent and beneficent to her colonies.

It is not in colonies only, however, that Great Britain has been beneficent to weaker communities; nor are benevolence and beneficence the only qualities she has shown. She has been strong also,—strong in her own interior life, whence all true strength issues; strong in the quality of the men she has sent forth to colonize and to administer; strong to protect by the arm of her power, by land, and, above all, by sea. The advantage of the latter safeguard is common to all her depend-

encies; but it is among subject and alien races, and not in colonies properly so called, that her terrestrial energy chiefly manifests itself, to control, to protect, and to elevate. Of these functions, admirably discharged in the main, India and Egypt are the conspicuous illustrations. In them she administers from without, and cannot be said to colonize, for the land was already full. . . .

We have the two great examples. Great Britain has been, in the main, and increasingly, beneficent and strong. Spain, from the very first, as the records show, was inhumanly oppressive to the inferior races; and, after her own descendants in the colonies became aliens in habit to the home country, she to them also became tyrannically exacting. But, still more, Spain became weaker and weaker as the years passed, the tyranny of her extortions being partially due to exigencies of her political weakness and to her economical declension. Let us, however, not fail to observe that the beneficence, as well as the strength, of Great Britain has been a matter of growth. She was not always what she now is to the alien subject. There is, therefore, no reason to despair, as some do, that the United States, who share her traditions, can attain her success. The task is novel to us; we may make blunders; but, guided by her experience, we should reach the goal more quickly.

And it is to our interest to do so. Enlightened self-interest demands of us to recognize not merely, and in general, the imminence of the great question of the farther East, which is rising so rapidly before us, but also, specifically, the importance to us of a strong and beneficent occupation of adjacent territory. In the domain of color, black and white are contradictory; but it is not so with self-interest and beneficence in the realm of ideas. This paradox is now too generally accepted for insistence, although in the practical life of states the proper order of the two is too often inverted. But, where the relations are those of trustee to ward, as are those of any state which rules over a weaker community not admitted to the full privileges of home citizenship, the first test to which measures must be brought is the good of the ward. It is the first interest of the guardian, for it concerns his honor. Whatever the part of the United States in the growing conflict of European interests around China and the East, we deal there with equals, and may battle like men; but our new possessions, with their yet minor races, are the objects only of solicitude.

Ideas underlie action. If the paramount idea of beneficence becomes a national conviction, we may stumble and err, we may at times sin, or be betrayed by unworthy representatives; but we shall advance unfailingly. I have been asked to contribute to the discussion of this matter something from my own usual point of view; which is, of course, the bearing of sea power upon the security and the progress of nations. Well, one great element of sea power, which, it will be remembered, is commercial before it is military, is that there be territorial bases of action in the regions important to its commerce. That is self-interest. But the history of Spain's decline, and the history of Great Britain's advance,—in the latter of which the stern lesson given by the revolt of the United States is certainly a conspicuous factor, as also, perhaps, the other revolt known as the Indian Mutiny, in 1857,—alike teach us that territories beyond the sea can be securely held only when the advantage and interests of the inhabitants are the primary object of the administration. The inhabitants may not return love for their benefits,—comprehension or gratitude may fail them; but the sense of duty achieved, and the security of the tenure, are the reward of the ruler. . . .

I have, therefore, but one thing which I have not already often said to offer to such men, who affect these great issues through their own aptitudes and through their far-reaching influence upon public opinion, which they touch through many channels. Sea power, as a national interest, commercial and military, rests not upon fleets only, but also upon local territorial bases in distant commercial regions. It rests upon them most securely when they are extensive, and when they have a numerous population bound to the sovereign country by those ties of interest which rest upon the beneficence of the ruler; of which beneficence power to protect is not the least factor. Mere just dealing and protection, however, do not exhaust the demands of beneficence towards alien subjects, still in race-childhood. The firm but judicious remedying of evils, the opportunities for fuller and happier lives, which local industries and local development afford, these also are a part of the duty of the sovereign power. Above all, there must be constant recognition that self-interest and beneficence alike demand that the local welfare be first taken into account. It is possible, of course, that it may at times have to yield to the necessities of the whole body; but it should be first considered.

The task is great; who is sufficient for it? The writer believes firmly in the ultimate power of ideas. Napoleon is reported to have said: "Imagination rules the world." If this be generally so, how much more the true imaginations which are worthy to be called ideas! There is a nobility in

man which welcomes the appeal to beneficence. May it find its way quickly now to the heads and hearts of the American people, before less worthy ambitions fill them; and, above all, to the kings of men, in thought and in action, under whose leadership our land makes its giant strides. There is in this no Quixotism. Materially, the interest of the nation is one with its beneficence; but if the ideas get inverted, and the nation sees in its new responsibilities, first of all, markets and profits, with incidental resultant benefit to the natives, it will go wrong. Through such mistakes Great Britain passed. She lost the United States; she suffered bitter anguish in India; but India and Egypt testify to-day to the nobility of her repentance. Spain repented not. The examples are before us. Which shall we follow?

And is there not a stimulus to our imagination, and to high ambition, to read, as we easily may, how the oppressed have been freed, and the degraded lifted, in India and in Egypt, not only by political sagacity and courage, but by administrative capacity directing the great engineering enterprises, which change the face of a land and increase a hundredfold the opportunities for life and happiness? The profession of the writer, and the subject consequently of most of his writing, stands for organized force, which, if duly developed, is the concrete expression of the nation's strength. But while he has never concealed his opinion that the endurance of civilization, during a future far beyond our present foresight, depends ultimately upon due organization of force, he has ever held, and striven to say, that such force is but the means to an end, which end is durable peace and progress, and therefore beneficence. The triumphs and the sufferings of the past months have drawn men's eyes to the necessity for increase of force, not merely to sustain over-sea dominion, but also to ensure timely use, in action, of the latent military and naval strength which the nation possesses. The speedy and inevitable submission of Spain has demonstrated beyond contradiction the primacy of navies in determining the issue of transmarine wars; for after Cavité and Santiago had crippled hopelessly the enemy's navy, the end could not be averted, though it might have been postponed. On the other hand, the numerical inadequacy of the troops sent to Santiago, and their apparently inadequate equipment, have shown the necessity for greater and more skilfully organized land forces. The deficiency of the United States in this respect would have permitted a prolonged resistance by the enemy's army in Cuba,—a course which, though sure ultimately to fail, appealed strongly to military punctilio.

These lessons are so obvious that it is not supposable that the national intelligence, which has determined the American demand for the Philippines, can overlook them; certainly not readers of the character of those to whom this paper is primarily addressed. But when all this has been admitted and provided for, it still remains that force is but the minister, under whose guardianship industry does its work and enjoys peaceably the fruits of its labor. To the mechanical industries of the country, in their multifold forms, our new responsibilities propound the questions, not merely of naval and military protection, but of material development, which, first beneficent to the inhabitants and to the land, gives also, and thereby, those firm foundations of a numerous and contented population, and of ample local resources, upon which alone military power can securely rest.

THE OPEN DOOR

THE ANNEXATION of the Philippines made the United States a Pacific power during the last stages of the dissolution of Manchu rule in China. The European nations used China's decline as a means of securing portions of her territory as "spheres of influence" for their own exploitation, a practice calculated to hinder an increase of trade and investment there by the nationals of other countries. At the same time, the European balance of power was disturbed by increased German influence and ambition on the Continent and by the expansion of Russia in the Far East. England found it necessary to seek new allies, therefore, and received willing cooperation from American circles where admiration for the most successful imperialist power ruled American expansionists like Lodge, Roosevelt, and Whitelaw Reid.

Though England and the United States were competitors in the Chinese textile and railroad-equipment market, both saw their interests threatened by the prospect of a division of China among the Great Powers. Germany's

concession at Kiaochow and Russia's acquisition of Port Arthur seemed to bring that prospect nearer, as neither country returned anything but evasion to inquiries concerning freedom of commerce in those areas.

By the winter of 1899, American business groups were moving toward greater interest in China, an interest which was stimulated by hints from the State Department and by such essays in propaganda as Lord Charles Beresford's (1846–1919) *Break-up of China* (New York, 1899). His Lordship had set off on a tour of the Far East as representative of the British Associated Chambers of Commerce. He had kept America's Secretary of State John Hay informed of his progress and the *Break-up of China* was intended for American as well as English readers. Though the book is no more than a long after-dinner speech in print, its contemporary popularity, its advocacy of the Open Door—equal opportunity for the sale of goods in China—and its stress on united action by the United States and Great Britain combine to make it illuminate the genesis of Hay's famous "Open Door" notes.

Actually, those identic notes were the work of William Rockhill, Hay's personal adviser on Far Eastern affairs. Rockhill, who was born at Philadelphia in 1854, had studied Chinese and military science in France. After a period of service with the United States diplomatic corps in China, he had been appointed chief clerk and then assistant secretary of the State Department. In the summer of 1899, Rockhill held the post of Director of the Bureau of American Republics. Rockhill, in his turn, was strongly influenced by his own friend and adviser, Alfred Hippisley, a British subject who, since 1867, had been a member of the Chinese Imperial Maritime Service, which administered the Chinese customs. Hippisley was returning to England on leave that summer and he urged Rockhill to take measures to get the United States to assume the initiative in the Far East. The United States should call the attention of the Powers to the present situation in China and attempt to obtain an undertaking that existing tariffs would be applied without discrimination in the areas which had been taken over from the Chinese. Thus, from the dissolution of the Manchu Empire, Hippisley hoped to save at least the equal treatment of commerce; equal opportunity for capital investment already appeared Utopian, but the United States, by acting secretly and promptly, might still open the door to trade before that should be closed forever.

In August, accordingly, Rockhill presented these views to Hay and, a few days later, on the twenty-fourth, Hay asked Rockhill to draft a set of instructions on commercial freedom in China. Rockhill's memorandum in reply included the material in Hippisley's earlier draft and was itself embodied in the Open Door notes attributed to John Hay (1838–1905).

Though the Open Door policy was, at the time, as much a failure in fact as in formal reception, Hay won American popular acclaim as the savior of China. He may not have secured freedom for American trade, nor won a guarantee of China's territorial integrity, but he did incorporate in American foreign policy a principle which, like the Monroe Doctrine, has had the allegiance and support of both the American people and American governments.

The Beresford selection is reprinted from his book, *The Break-up of China* through the permission of Harper and Brothers. The Hippisley and Rockhill Memoranda are reprinted from A. W. Griswold's *The Far Eastern Policy of the United States* (New York, 1938) through the permission of Harcourt, Brace and Company.

The Break-up of China

BY CHARLES BERESFORD

XXIX: The United States

. . . The principle of the "Open Door" is unanimously held to be the policy necessary for the increase of the United States' trade with China; but there the matter rests. I heard no sentiments expressed which conveyed to me any opinion on the part of any of the American Chambers of Commerce as to how the "Open Door" principle was to be insured, although I did hear many opinions expressed that the time could not be far distant when the Chinese Empire would be added to the list of those countries which had fallen to pieces from internal decay. Though the great trading classes of the United States, as far as I could gather, are keenly alive to the necessity of safeguarding the future of the United States' commercial interests, it was quite apparent to me that those in authority, and indeed the people as a whole, are, for the present, at any rate, going to allow Chinese affairs to take care of themselves. It was very satisfactory to me to be frequently told that the fact of the British Associated Chambers having sent a Mission of Inquiry to China would provoke an interest among the commercial classes of the United States with regard to the future of China. The attitude taken up by the commercial classes in Japan was totally different from that which I found in the United States. Both saw the necessity of keeping the Door open in China if full advantage was to be taken of the possible development of American or Japanese trade; but while on the Japanese side there was every indication of a desire to act in some practical manner in order to secure the Open Door, I could discover no desire on the part of the commercial communities in the United States to engage in any particular effort for preserving what to them might become in the future a trade, the extent of which no mortal can conjecture. On many occasions I suggested that some sort of understanding should exist between Great Britain and the United States for the mutual benefit of the two countries with regard to the future development of trade in China; but while receiving the most cordial support to this proposal, nothing of a definite character was suggested to me that I could present to the Associated Chambers.

Looking at the matter fairly, the public mind in the United States is occupied with an entirely novel policy, which, being an actual fact, must be more engrossing to the American public than matters which up to now even have not advanced into the region of discussion. I refer to the policy of expansion, as illustrated by the difficult problem which has to be solved in the Philippine Islands. Added to this, the actual trade between the United States and China at the present moment is a very small proportion of the whole foreign trade of that country, only 8 per cent. The American trade with China is, however, very much larger than appears in the import list contained in the returns of the Imperial Maritime Customs of the Chinese Empire. Taking the question of the import of plain cotton goods alone for the years 1887–1897 inclusive, referred to in this Report in the chapter on "Shanghai," it will be seen that American goods during those ten years have increased in quantity 121.11 per cent., and 59.45 per cent. in value, while the British import of the same class of goods has decreased 13.77 per cent. in quantity, and 7.9 per cent. in value. In examining these trade returns the question of ownership and manufacture is an all-important one. At the time of import this cotton is owned by the British merchant and shipped in British bottoms, but the competition of the United States is directly with the Lancashire cotton manufacturer. I was much impressed by the good feeling and friendship towards Great Britain expressed by all with whom I came in contact in the United States. These kindly sentiments were particularly marked on all occasions when the health of her Majesty the Queen was proposed. I believe that a great deal of the enthusiasm with which I was received during my journey throughout the United States was actuated by the sentiments of kindly feeling towards the British.

There is a very large and increasing export trade of flour from America to China. The Chinese are appreciating this class of food more every year. There is also a great export of American machinery of all sorts to China. The whole of the Russian railway plant in Manchuria—viz., rolling-stock, rails, and sleepers—comes from the United States. There is also a large import of American machinery into Japan.

Although the American percentage of trade with China is only 8 per cent. of the whole, it is important to remember in what a comparatively short time this has been built up, and if to this percentage was added the proportion of British-

owned trade in commodities of American origin, I am of opinion that it would be found that the actual American manufactured goods represent a very much larger percentage than is generally known. As it is, American trade represents 8 per-cent., as against 28 per cent. of all other nations (excluding Great Britain) combined.

The only direction in which I found a falling off in American trade was in kerosene-oil, in which industry Russia and Sumatra are becoming America's chief competitors. A noteworthy fact that was brought to my notice by the Commissioner of Customs at Newchwang was, that American manufactured goods at that port now represent about 50 per cent. of the whole foreign import, showing that, at any rate in North China, American trade is increasing in volume and importance.

The problems connected with the future development of trade in China will be solved more easily if the powerful Anglo-Saxon races can come to some mutual understanding regarding them. As the interests of the United States and Great Britain are absolutely identical in China, an understanding must conduce to the benefit of both great nations, and certainly make for the peaceful solution of the difficulties. Both nations are essentially trading nations, neither want territory, they both wish to increase their trade. With an equal opportunity throughout China, they would not only increase their trade but do much towards increasing the prosperity of the whole world.

Basis of the "Open Door" Notes

I. THE HIPPISLEY MEMORANDUM

THE MERCANTILE COMMUNITIES of the United States and Gt. Britain, realising the important field for their enterprise which under existing conditions is afforded by China, and the vastly extended field for it which they might legitimately look forward to under improved conditions in the future, earnestly desire the maintenance of the "open door," *i.e.*, of the rights possessed under the existing treaties of Tientsin. In other words, they ask that they be assured the equality of opportunity which all nations alike have hitherto enjoyed under those treaties for (a) commerce, (b) navigation, and (c) exploitation of mines and railroads.

Last year when the British Govt. was energetically insisting on the necessity of maintaining the "open door" in China, Mr. Balfour's speeches foreshadowed a policy which, though nominally aiming at that object, conceded to the various Powers the possession of spheres of influence or interest in which they would enjoy special rights and privileges in respect of railroad and mining enterprises: and the undertakings entered into by Gt. Britain with Germany as regards Shantung and with Russia as regards Manchuria go to show that this is the policy which the British Govt. has definitely adopted to govern its relations with other Powers in China. A policy the object of which is to maintain the "open door" and at the same time to recognise spheres of interest with special, and practically exclusive, rights as regards mines and railroads, is possibly feasible; but it certainly is feasible only on the condition that adequate steps are taken to prevent the special mining and railroad rights being so stretched as to include territorial jurisdiction and the power to impose discriminating taxation in any form.

In any case the undertakings above referred to have already practically deprived Britishers of equality of opportunity as regards mines and railroads in certain important districts of China, and would appear to render it difficult for other nationalities to insist on the maintenance of their equality of opportunity as regards those enterprises in the districts concerned—though the importance of this curtailment of previously existing rights is much reduced by the facts that the concessions for mines and railroads already granted in China will require years to fulfil, even if they do not require a larger amount of capital than is likely to be forthcoming for investment in that country, and that these concessions are distributed among all of the wealthy nations.

Equality of opportunity as regards (c) having practically then already gone by the board, it would seem that the utmost that can now be attempted is to safeguard equality of opportunity as regards (a) and (b)—commerce and navigation. To do this it appears essential that the nations in favour of the "open door" policy should bind themselves, and secure undertakings from the other powers, to the effect that each in its respective spheres of interest or influence

(1) will in no way interfere with any treaty port in such sphere or with the interests vested in it:

(2) will promise that, unless the ports opened to trade in it are declared free ports, the Chinese treaty tariff as existing or as hereafter amended

shall apply to all merchandise landed or shipped, no matter to what nationality such merchandise may belong; and that the dues and duties so leviable shall be collected by the Chinese Govt.: and

(3) will levy no higher harbour dues on vessels of another nationality frequenting any port in such sphere than shall be levied on vessels of its own nationality, and no higher railroad charges on merchandise belonging to subjects of other Powers transported through such sphere than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

Such an arrangement would go far to secure an open market for merchandise in China and to remove dangerous sources of international conflict: and it is not anticipated that any serious difficulty would be experienced in attaining it. If the declarations of responsible British statesmen mean anything, they should ensure hearty support from Gt. Britain. Germany by her enlightened policy in sanctioning the establishment of a Chinese Customs-house at Kiaochow and in rendering it all possible assistance—in marked contrast to the narrow, unjust, and shortsighted policy of Gt. Britain in expelling the Chinese Customs-house from the Kowloon extension, inevitably to the enormous increase of smuggling—shows that little opposition is to be anticipated on her part. The doubtful Powers have hitherto been Russia and France, but the Ukase issued by the Czar on the 15th inst. declaring "Talien-wan a free port during the whole period of the treaty for the merchant ships of all nations" removes all doubt as to Russia's attitude and justifies the expectation that she would co-operate in such an undertaking as that proposed; and it is little likely that France would refuse to listen to Russia's advice—opposed though it is to her traditional policy in China of insisting that, whenever in any degree possible, territorial jurisdiction is included in any rights conceded—and so stand out in opposition alone.

The issue of the Czar's ukase just referred to opens the door for *pourparlers* on this subject and renders the present a specially opportune moment for entering on them.

A. E. H.
17-viii-99

2. THE ROCKHILL MEMORANDUM

No one person has done more within the last few months to influence public opinion in the United States on the Chinese question than Lord Charles Beresford, by his book "The Break-Up of China," and by the speeches he has made in the United States. By these means he has sought to prove the identity of interests of our two countries and the necessity of an Anglo-American policy in China. It seems desirable to preface the following remarks by examining the data supplied by Lord Charles, endeavoring to control his views, and to show, if possible, the truth or fallacy of his conclusions.

For one who has devoted the better part of his life to the study of Chinese affairs, the book of Lord Beresford comes as an agreeable surprise—so far as regards foreign commercial relations with China, and is on the whole rather encouraging than dispiriting. The volume of foreign trade has steadily increased, and everywhere signs are not wanting of its further extension; the Chinese Government has not failed to fulfill any of its pecuniary obligations to foreigners, and is endeavoring, in a clumsy, uncertain way it is true—but that is not entirely its fault, to take some further steps in the direction needed for its internal development. If, on the other hand, the Empire is in a disturbed condition, and if foreign interests suffer thereby, this is entirely due to the unseemly haste of some of the Treaty Powers in their scramble for commercial advantages and acquisition of territory. This they lament but do not seek to remedy.

Lord Beresford's interviews with the various foreign mercantile organizations at the treaty ports of China bring clearly before us the fact that they have not in the last twenty years had any new ground for complaint against the Chinese Government, that they are to-day suffering, not perhaps even quite so severely as years ago, from the existence of certain restrictions, especially those resulting from internal revenue taxes, which have been the subject of endless correspondence between the diplomatic representatives in Peking and the Chinese Government for the last quarter of a century and with which every one interested in affairs in that Empire must by this time be pretty familiar.

The grievances of which the foreign mercantile class in China has to complain and a remedy to which lies with the Chinese Government, are all proper subjects for diplomatic discussion and no one can doubt that if within the last two years steady and united pressure had been brought to bear on it by the Treaty Powers, some of them would be in a fair way to settlement at the present time.

Take for example *likin*. In the rush for conces-

sions to foreigners in China and the necessity for that country to find funds to insure the payment of interest on the loans she has been forced to contract to carry out more or less urgent public works recommended by them, the Treaty Powers have compelled her to increase her internal revenue taxes and have permanently fastened on the country this very tax (*likin*) they had for twenty-five years and more been trying to have suppressed. Again take the transit pass system by which foreign goods are allowed to be carried throughout the Empire on the payment of one-half the import duty, and which system the British merchants claim is an utter failure, we know by the successful endeavors of the French Government in enforcing this right under the treaties for goods imported into southwestern China, that if failure it is in other parts of the Empire, the fault lies with the foreigners themselves.

Lord Beresford's opinion that it is primarily necessary for the development of China to make a military and naval power of that Empire, is, I think, the weakest part of his work, and his opinion is at variance with that of all those who know best China and the Chinese. So far as the protection of foreign interests is concerned, the Chinese Government is, and has been since the suppression of the Taiping rebellion, able to protect them whenever and wherever it has chosen to, as innumerable cases familiar to the Department can show.

In the various memoranda submitted to Lord Beresford by the British merchants of China and published in his book, the need for China to increase her armament to insure their security, is no where hinted at, but in all of them we find the cause of the present stagnation of trade attributed, and rightly to my mind, to the vacillating policy of the home Governments, frequently brought about by apathy and lack of knowledge regarding Chinese affairs, the resulting ability of the Chinese Government to escape the performance of its treaty obligations, and to the jealousies and lack of concerted action of the Powers in treating questions of general interest. . . .

That the task of strengthening the central government is a comparatively easy one, the history of China's progress in the last fifty years conclusively shows. The introduction of telegraphic lines throughout the Empire, the Maritime Customs service, the more recent organization of a system of imperial railways and their successful working, and a variety of other reforms are all operating in the same direction, so that Lord Beresford's statement (p. 231) "no reforms . . . can possibly be brought about in a country so hopelessly corrupt as China until the first and initial step is taken of giving authority to those in power which only an effective military and police can supply," is a hasty and erroneous conclusion.

That the existence of a strong and well officered and disciplined army and navy in China might assist that country to ward off the attacks of a foreign foe, is likely; that, in the absence of such a force, and with the present aggressive policy of some of the Treaty Powers, the creation of "spheres of interest" (or influence) easily reached by rail or by the sea by the interested Power from its own territory, should be held to be the only way of insuring China against complete partition, is comprehensible; but that the United States should lend a hand to the carrying out of either of these two policies seems absolutely suicidal to our vast and growing interests in that part of the world.

British writers on Chinese questions, and especially Lord Beresford, have advocated in the strongest terms the "open door policy" or equality of treatment and opportunity for all comers, and denounce in the strongest terms the system of "Spheres of Influence" (or interest); but such spheres have now been recognized by Great Britain as well as by France, Germany and Russia, and *they must be accepted as existing facts.*

But while adopting the policy of spheres of interest, which, we will admit, political reasons may have forced it to do, Great Britain has tried to maintain also the "open door" policy, the only one which meets with the approval of its business classes, for by it alone can they be guaranteed equality of treatment in the trade of China. In this attempt to minimize the evils brought about by the necessities of her foreign policy, Great Britain has been, however, unable to secure to her people perfect equality of opportunity, for she has recognized special and exclusive rights first of Germany and then of Russia in their areas of activity, more particularly those relating to railways and mines. What these rights may eventually be claimed to include, no one can at present foretell, though it would not be surprising if the exercise of territorial jurisdiction and the imposition of discriminating taxation were demanded under them—at least by France. Should such rights be conceded, our trade interests would receive a blow, from which they could not possibly recover.

To sum up then, we find to-day in China that the policy of the "open door," the untrammeled exercise of the rights insured to Treaty Powers by the treaty of Tientsin, and other treaties copied on it or under the most favored nation clause, is claimed by the mercantile classes of the United

States and other powers as essential to the healthy extension of trade in China. We see, on the other hand, that the political interests and the geographical relations of Great Britain, Russia and France to China have forced those countries to divide up China proper into areas or spheres of interest (or influence) in which they enjoy special rights and privileges, the ultimate scope of which is not yet determined, and that at the same time Great Britain, in its desire not to sacrifice entirely its mercantile interests, is also endeavoring to preserve some of the undoubted benefits of the "open door" policy, but "spheres of influence" *are an accomplished fact*, this cannot be too much insisted on. This policy is outlined by Mr. Balfour in his Manchester speech of January 10, 1898.

Such then being the condition of things, and in view of the probability of complications soon arising between the interested powers in China, whereby it will become difficult, if not impossible, for the United States to retain the rights guaranteed them by treaties with China, what should be our immediate policy? To this question there can, it seems, be but one answer, we should at once initiate negotiations to obtain from those Powers who have acquired zones of interest in China formal assurance that (1) they will in no way interfere within their so-called spheres of interest with any treaty port or with vested rights in it of any nature; (2) that all ports they may open in their respective spheres shall either be free ports, or that the Chinese treaty tariff at the time in force shall apply to all merchandise landed or shipped, no matter to what nationality belonging, and that the dues and duties provided for by treaty shall be collected by the Chinese Government; and (3) that they will levy no higher harbor dues on vessels of other nationalities frequenting their ports in such spheres than shall be levied on their national vessels, and that they will also levy no higher railroad charges on merchandise belonging to or destined for subjects of other powers transported through their spheres than shall be levied on similar merchandise belonging to its own nationality.

In other words, we should insist on absolute equality of treatment in the various zones, for equality of opportunity with the citizens of the favored powers we cannot hope to have, in view of the well known methods now in vogue for securing privileges and concessions, though we should continually, by every proper means, seek to gain this also.

Such understandings with the various Powers, and it is confidently believed that they could be reached at present, would secure an open market throughout China for our trade on terms of equality with all other foreigners, and would further remove dangerous sources of irritation and possible conflict between the contending powers, greatly tend to re-establish confidence, and prepare the way for concerted action by the Powers to bring about the reforms in Chinese administration and the strengthening of the Imperial Government recognized on all sides as essential to the maintenance of peace.

Great stress has been laid by British writers on the role of Russia in China which they contend is a "purely political and military conquest" and who, "though she may mean to eventually build up a commerce, only wants for the present the Chinese seaboard and ports for strategic purposes." (Colquhom. "*China in Transformation.*" 326.) Lord Beresford says (32) that he was told at Niuchuang by the British residents that "they regarded Manchuria as really a Russian province . . . that though the Russians might not impose a tariff on goods just at present, they were placing themselves in such a powerful military position that they would be able to do so in the near future, . . . and the merchants considered their trade threatened by such exhibition of military power." In the face of these apprehensions of the British merchants at Niuchuang, who were but feeling in their persons the discomforts and restrictions which all foreigners may sooner or later have to experience when settled in the sphere of influence of some rival power, it is agreeable to have to record the opening of the port of Talien-wan (near Port Arthur and an infinitely better port than Niuchuang, being below the line of winter and ice), to the merchant ships of all nations during the whole of the lease under which it is held by the Emperor of Russia's ukase of August 15th of this year. This I conceive will greatly help to allay fears and doubts as to Russia's attitude in China, and justifies the belief entertained that she would co-operate in bringing about such international understanding as is here outlined. The recent statement of a Russian writer inspired by a personage enjoying for years the friendship of the Emperor of Russia, that "the independence and integrity of China is a fundamental principle of Russia's policy in Asia" (*N. A. Rev.*, July, '99, p. 16), may or may not be absolutely correct; at all events, it may well be taken as indicating the present trend of Russia's policy, and seems to insure the friendly consideration at St. Petersburg of the arrangement here suggested. Whatever the ulterior object of Russia may be, its present one is unquestionably conciliation, for any haste might prove the spark which would cause the explosion

by which the Chinese Empire would be shattered.

Nor does the assent of Germany to the proposed agreement seem very doubtful; she has declared Kiaochao a free port and allowed a Chinese custom house to be established there, in pleasing contrast by the way with the illiberal and short-sighted policy of Great Britain which has expelled the Chinese custom house from the Kowloon extension in front of Hongkong, and while she has insisted on certain exclusive mining and railroad rights in her sphere of interest, it seems highly probable that as German capital flows slower and slower into these enterprises, as it undoubtedly will as the vast requirements for long years to come of the already granted concessions are more exactly determined, she will find it greatly to her advantage to encourage and foster the enterprises of other nations.

No reference has been made to the way in which the Japanese Government would consider the propositions here suggested, because these measures are so clearly advantageous to Japan and so much in line with its own policy in China, that it must meet with its hearty approval.

It is particularly important for obvious reasons of both domestic and foreign policy that the initiative for these negotiations should be taken by the United States. Such a policy cannot be construed as favorable to any power in particular, but is eminently useful and desirable for the commerce of all nations. It furthermore has the advantage of insuring to the United States the appreciation of Chinese Government, who would see in it a strong desire to arrest the disintegration of the Empire and would greatly add to our prestige and influence at Peking.

France is the only doubtful country from whom some opposition might be anticipated, it being her well known policy in China to claim all implied jurisdictional rights wherever possible, but it is little likely that in this question, as in others, she would decline to listen to Russia's advice and stand out in opposition alone.

The prospect seems bright therefore *at the present moment* of bringing to a successful conclusion the negotiations needed to attain the ends here indicated and which will, it is thought, relieve our commercial world from the just apprehension and perturbation in which recent events have thrown it, giving it equal treatment so far as commerce and navigation go, with the subjects of any other Power.

Respectfully submitted,

W. W. Rockhill

Washington, 28th of
August, 1899.

Part Nine

THE NEW FREEDOM

INTRODUCTION

1. THE POLITICAL SCENE

Theodore Roosevelt. From 1901 to 1910, the personality of Theodore Roosevelt dominated the American political scene. He was not quite 43 years of age when he was sworn in as President of the United States on September 14, 1901. As a youth he had flirted with the Republican Mugwumps and had indicated a zest for reform. But there was a curious ambivalence in his character: he could speak the language of social change; and yet he could vote the regular Republican tickets at election time. He received his rewards in a long series of appointive offices and in his election to the governorship of New York in 1900. Roosevelt was an exciting personality—despite the paucity of his domestic achievements—and he succeeded in capturing the fancy and good-will of the American people. He preached the strenuous life and himself lived it. He was capable of coining fighting and derogatory phrases, and this pleased the man in the street; he adopted a vigorous foreign policy, and this fed the American national ego. In a certain sense, he did carry out his own precept of "speak softly and carry the big stick." For by strengthening the American navy he was able successfully to defy Germany and Japan and compel their recognition of the United States as a force not to be easily disregarded.

But in the domestic scene, Roosevelt moved with great caution. He sought to win over the confidence of the Republican party machine, at the same time that he was making himself into a popular leader. When Mark Hanna died early in 1904, all opposition to Roosevelt collapsed and reluctantly the party elders accepted him. He was not to disappoint them until 1912.

Roosevelt's Second Term. Roosevelt's first Congressional message, delivered on December 3, 1901, was an elaborate text in public affairs. He called for a greater degree of regulation of corporations and trusts; the extension of the powers of the Interstate Commerce Commission; an immigration policy; more reciprocity treaties; governmental encouragement of a merchant marine; the conservation of natural resources; and the extension of the Civil Service. He obtained none of these measures. But he did intervene to stop the continuance of a crippling coal strike; and he did "take Panama"—as he himself later boasted. The Republicans were compelled to nominate him, when they met in national convention in June, 1904; Charles W. Fairbanks of Indiana was named as his running mate.

The Democrats, who had lost twice with Bryan, sought a more conservative standard bearer and picked Alton B. Parker, Chief Justice of the New York State Court of Appeals, as their nominee. The campaign was without incident and resulted in the reelection of Roosevelt with the greatest popular and electoral majorities given to a candidate up to that time. Roosevelt received more than seven million popular votes to Parker's five million; and 336 electoral votes to Parker's 140. Parker won only the Solid South. The Socialists, again led by Eugene V. Debs, polled almost a half million votes; and the Populists, this time with Thomas E. Watson of Georgia as their candidate, obtained 117,000 votes. The Republicans also swept both houses of Congress. So pleased was Roosevelt with his personal triumph that on the night of the election he made a public announcement in which he declared that "under no circumstances will I be a candidate for or accept another nomination."

Despite this easy victory, again domestic accomplishment was small. Roosevelt's two Congresses failed to pass bills calling for the following: the rehabilitation of the merchant marine, currency and banking reform, the federal control of child labor, copyright and patent reform, and the limitation of the powers of the federal courts in injunction proceedings. Roosevelt had biting things to say about "the malefactors of great wealth"; but his Department of Justice did not overexert itself in the enforcement of the Sherman Anti-Trust Law. He excoriated the conservative judiciary; but he led no movement to protect human rights. Big Business came to flower during his administrations.

The following were the slender achievements of his Congresses: The Hepburn Act of 1906 which further extended the powers of the Interstate Commerce Act, but failed to give the commission the right to fix the valuations of the railways; the Meat Inspection Act and the Pure Food Act, both also of 1906; the Employers' Liability Act of 1908, affecting common carriers and relating to workmen's compensation protection; an act, passed in 1908, limiting the hours of trainmen and telegraph operators working on interstate railroads; and an act, passed in 1907, prohibiting contributions to political campaign funds by industrial corporations.

The Panic of 1907. One event appeared to darken, for a brief time, the pleasant skies under which Roosevelt lived. This was the financial panic which hit the country in the fall of 1907. Again, as in 1873 and in 1893, the outstanding cause was the primitive nature of the American banking system; the absence of proper control over reserves deposited in New York banks, and the manipulation of these by the great investment banking houses, had given spur to stock market speculation. In 1907, as the business cycle turned downward, many brokerage houses and banks failed; country banks were hard hit; and they contracted their credit activities. The overcapitalized railroads once more began to fall like ninepins; and unemployment became severe.

Roosevelt took a rather curious step to restore confidence. On the advice of J. P. Morgan, he gave his approval to the purchase by the United States Steel Corporation of the Tennessee Coal and Iron Company, because, presumably, the latter was in danger. The only real result was the strengthening of the United States Steel Corporation's control over the leading heavy industry in the United States. By the middle of January, 1908, the short depression had spent itself, and employment and expansion in business once more were resumed. The Republicans, therefore, could enter the presidential election of 1908 with confidence.

Election of 1908. Roosevelt dominated the Republican convention and named as his successor his personal friend and Secretary of War William Howard Taft of Ohio. James S. Sherman, a New York Congressman, was nominated for the vice presidency. The Democrats once more selected Bryan and named James W. Kern of Indiana to run with him. Both Debs and Watson again became the nominees of the Socialist and Populist parties, respectively. There was no uncertainty about the outcome despite the fact that Samuel Gompers, the president of the American Federation of Labor, gave Bryan his support. Bryan did somewhat better than Parker, carrying, in addition to the Solid South, all the Border states (except Maryland) and the three Western states of Colorado, Nebraska, and Nevada. The electoral vote was 321 for Taft and 162 for Bryan. Debs's vote went up somewhat; Watson's dropped sharply—and with it Populism disappeared. The Republicans also captured both Houses and seemed to be safely installed in Washington. Theodore Roosevelt, having seen his protégé inducted in office, took his departure immediately from the United States to hunt big game in Africa and to make a triumphal tour of the European capitals.

The Taft Administration. Roosevelt was

sure that "his policies" were safe in Taft's hands. But Taft had neither the personal magnetism nor the political skills of his predecessor. He was a big, jolly man—innately conservative, and willing to let the leaders of his party dominate his administration. It was Taft's unhappy lot to reap the whirlwind that Roosevelt had sown. His term in office, despite some good work, ended in disaster, with public confidence gone and the Republican party rent by factional quarrels. Theodore Roosevelt, it is true, had made Taft President; but Theodore Roosevelt's unredeemed promises of a new day and a square deal led to a general revolt—in and outside of the halls of Congress—against Republican rule.

That conservatism was once more in the saddle was apparent to all when—despite campaign pledges of tariff revision—the Republican Congress wrote the high protective Tariff Act of 1909. Republican insurgents in the Senate—led by La Follette of Wisconsin—exposed the bill for the shabby thing it was; Taft's tardy efforts at leadership were unavailing; and it became law. But the insurgents voted against it; and Taft's public defense of the measure only made matters worse. The result was, the Republicans lost the lower House to the Democrats in 1910. Insurgency swept the Western states; while Democratic governors were elected in Massachusetts, Connecticut, New York, Ohio, and New Jersey. In New Jersey, the new executive was the president of Princeton University, who had been born in Virginia but who had gone north to complete his studies and enter upon an academic career. His name was Woodrow Wilson.

The New Nationalism. A Congress thus divided was incapable of constructive labors. The next two years therefore were concerned with the clarification of party issues and the preparation of political manifestoes. In fact, in January, 1911, the insurgents organized the National Progressive Republican League and issued a declaration of principles which called for a complete overhauling of the country's domestic policy. In addition to demanding better railroad, tariff, and corporation legislation, the League spoke up for "wise, comprehensive and impartial reconstruction of banking and monetary laws, the conservation of coal, oil, gas, timber, water powers, and other natural resources belonging to the public, and the enactment of legislation solely for the common good." Government had to be returned to the people; and this was to be done through the direct election of Senators, the initiative, referendum and recall, and presidential primaries.

Theodore Roosevelt was quick to see that the cause of his friend Taft was a lost one. He had returned to the United States in June, 1910, and had kept his counsel for a number of months. And then on August 31, 1910, in an address delivered at Osowatomie, Kansas, he joined the new legions of reform; in fact more, he offered his leadership. What the country needed was a New Nationalism: government had to participate actively in the social and economic life of the nation. And this was his creed:

> I stand for the square deal. But when I say I am for the square deal I mean not merely that I stand for fair play under the present rules of the game but that I stand for having those rules changed so as to work for a more substantial equality of opportunity and of reward for equally good service.

In the light of these utterances, the insurgents called upon Roosevelt to join hands with them formally. Roosevelt replied evasively; but he gave his blessings to La Follette's candidacy for the Republican nomination. In 1911 the La Follette campaign was launched and it won wide approval; and so successful was it that Roosevelt began to take insurgency seriously. He let it be known he would not be averse to running again; and in February, 1912, a group of his friends appeared to urge him to do so. Later in the month Roosevelt announced his "hat was in the ring." In other words, he was ready to abandon both Taft and La Follette. In this fashion, the lines were drawn for the struggle over the Republican nomination of 1912.

2. BIG BUSINESS AND FINANCE CAPITAL

What had caused this rising of America's middle classes? Most important was a growing awareness of the fact that the country's economic life was being dominated by Big Business, and its banking institutions and money markets by Finance Capital.

Consolidations in Business. After the depression of 1893–97, the processes of corporate consolidation and business integration had been pushed energetically, with leadership not in the hands of enterprisers themselves but in those of investment banking houses. During the three years, 1899 to 1902, when the movement was at its height, 79 huge integrations were completed with a combined capital in excess of four billions of dollars. The greatest of these was the United States Steel Corporation, set up in 1901 and having a capitalization of one billion dollars in common and preferred stock and almost half a billion dollars in bonds. This was the country's first billion dollar corporation; and it controlled, virtually in a complete monopoly, the production of the heavy steel and a good part of the light steel output of the United States. Whether a monopoly or not, in the formal sense, United States Steel's price leadership was recognized by all American steel companies for the next two decades. Steel prices were "managed"; and monopoly profits were so great that the 50 percent water in United States Steel's securities was got rid of in less than fifteen years.

Other giant corporations put together by J. P. Morgan and Company and others were: the Amalgamated Copper Company, the American Tobacco Company, the American Woolen Company, the General Electric Company, the American Car and Foundry Company, the United States Leather Company, the United States Rubber Company, the International Paper Company, the Diamond Match Company, and the National Biscuit Company. By 1904, almost every field in American heavy industry and many in light industry were dominated by these new great corporate powers. In 1904, John Moody, writing in his *Truth about the Trusts*, found that there existed in the country 318 industrial corporations with a combined capital in excess of seven billions of dollars. On his list were 10 with capitalizations of 100 million dollars or over; and 128 with capitalizations of 10 millions or over. All but 82 of these new corporations had appeared between January, 1898 and January, 1904. More than half of these corporations controlled price and production policies in the industries with which they were associated.

It is true that by 1904 this movement had largely spent itself. The reasons are interesting: (1) Most of the goals of the promoters had been achieved; in other words, all the significant industries capable of integration were already organized. (2) The greater part of the companies thus created were heavily overcapitalized, and their inability to earn profits on watered stock and fictitious values led to a growing distrust on the part of the investing public. In October, 1903, the securities of 100 of these new consolidations showed a shrinkage of 47 percent from their top prices. (3) In 1903 the Bureau of Corporations had been established by Congress and, while it had no judicial powers, its investigations did expose many of the more unsavory monopoly practices. (4) And, in 1904, the Supreme Court finally acted and used the Sherman Anti-Trust Law to order the dissolution of the Northern Securities Company—a railway holding company put together by the two great investment banking houses of J. P. Morgan and Company and Kuhn, Loeb and Company.

The Supreme Court. It was not until 1911 that the Supreme Court took cognizance of the existence of industrial monopoly. In that year, it handed down two decisions in which

it found that both the Standard Oil Company of New Jersey and the American Tobacco Company were combinations in restraint of trade under the Sherman Law. The Court was troubled, however, by the too sweeping nature of the restraints to be found in the Sherman Act; "the exercise of judgment" was therefore necessary. Hence a "rule of reason" was required; and the only agency that might employ it was the Court itself. Thus, two of the largest holding companies in the country were broken up and competition again, presumably, reigned in oil and tobacco. Of course nothing of the sort occurred; for the same persons who had dominated the holding companies were now in charge of the smaller companies; nor did prices go down. It was no wonder that reformers were not impressed over what President Taft hailed as a great victory.

The Investment Bankers. Attention has been called to the leading role played by the investment banking houses in the creation of these new monopoly groups. Greatest of these was the house of J. P. Morgan and Company, which had originated as early as 1837, but which had not become important until the 1880s when Morgan had entered the field of railroad refinancing. In 1887, the Morgan firm rehabilitated the Baltimore and Ohio; in 1888, it became prominent in the destinies of the Chesapeake and Ohio; and in 1893, it created the Southern Railway Company. During the depression of 1893–97, it reorganized, recapitalized, and came to dominate many of the great railways systems of the United States. In the nineties, the Morgan firm turned to heavy industry and created a great rival to the Carnegie Steel Company in the newly formed Federal Steel Company. The contest between Federal Steel and Carnegie Steel led to the creation of the United States Steel Corporation of 1901. In the early 1900s, the Morgan firm also became an important influence in the destinies of the following huge corporations: the International Harvester Company, the General Electric Company, the American Telephone and Telegraph Company, the Western Union Telegraph Company, and the International Mercantile Marine Company.

What alarmed Americans more than anything else was the growing community of interest between the investment bankers on the one hand and the country's fiduciary and banking institutions on the other. For not only did the Morgan partners sit on the boards of directors of railroads, industrial corporations, and communications systems; they also seemed to be controlling the largest insurance companies, the trust companies, and the commercial banks of America. Morgan partners were to be found on the boards of the Mutual Life Insurance Company, the New York Life Insurance Company, and the Equitable Life Assurance Company; the Manhattan, Bankers, and Guaranty trust companies; and the Chase, Liberty, Hanover, and Astor national banks. In all, Morgan and his partners held 77 interlocking directorates in 47 of the greatest financial, industrial, and transportation corporations in the country. The total capitalization and resources of these companies came to ten billions of dollars.

Other such communities of interest were dominated by the Rockefeller fortune, operating through the National City Bank of New York; by George F. Baker, the president of the First National Bank of New York; by Kuhn, Loeb and Company, headed by Jacob H. Schiff; and by the Boston houses of Lee, Higginson and Company and Kidder, Peabody and Company.

The Pujo Committee Investigation. Upon these, the Pujo Committee—a subcommittee of the Democratic House's Committee on Banking and Currency—descended in May, 1912. It made a searching examination of the communities of interest existing and it found a resulting concentration of credit and money. This had been brought by the following methods: mergers of competitive banks and trust companies; purchase of stock in competitive banks; interlocking directorates; the

extension of banking influence into insurance companies, railroad companies, and public utilities; and syndicate financing of security issues. The Pujo Committee came to this conclusion:

> Your committee is satisfied from the proofs submitted . . . that there is an established and well-defined identity and community of interest between a few leaders of finance . . . which has resulted in great and rapidly growing concentration of the control of money and credit in the hands of these few men.

It was inevitable that the revelations of the committee, as they were made from day to day in the public press, should play a large part in the mobilization of public opinion and in the outcome of the election of 1912.

3. *OTHER INFLUENCES ON THE REFORM MOVEMENT*

The reform movement had also drunk at other springs. Reform had first appeared in the states and had gained notable victories. Led by men like Robert La Follette in Wisconsin, it had fought and broken the alliance between Big Business and machine politics, had passed welfare legislation, and had established direct government. Socialism, too, was making its message known to the United States. Joined by many native born Americans, and penetrating deeply into the trade union movement, it was educating Americans in the greater progress European countries were making in the fields of social legislation. The Socialists possessed a very capable press which, in dailies, weeklies and monthlies, was going out regularly to hundreds of thousands of American urban and rural homes.

The Muckrakers. Not least among these forces were the so-called Muckrakers, who wrote sensational articles of "exposure" in the new and cheap popular magazines. They had been given their name by Theodore Roosevelt in 1906, and he had used the term invidiously. The time had come for a halt on the mere collection of unsavory facts about business and government; let us, said Roosevelt, turn our attention to constructive work. But there was no denying that public enlightenment could not have advanced very far had it not been for the sensational tales of these young magazine writers. Encouraged by the editors of magazines like *McClure's*, *Everybody's*, *Collier's* and the *Cosmopolitan*, the Muckrakers went up and down the land and pried into the doings of the big corporations and public officials. They wrote articles of corrupt franchise sales, the fraudulent letting of contracts, payroll padding; of the slums and of the suffering of the poor; of the alliance of the police with vice. They visited state capitals and came back with tales of the influence of lobbyists, the bribing of legislators, and the workings of the "invisible government" of machine politics. They looked into the conduct of business enterprise and exposed worthless stock schemes, dishonest insurance companies, and the monopoly practices of great companies.

Outstanding among these exposés was Ida M. Tarbell's *History of the Standard Oil Company*, which *McClure's* began to print in 1903; Lincoln Steffens' *Shame of the Cities*, printed in *McClure's* in 1904; Ray Stannard Baker's *Railroads on Trial*, also in *McClure's* in 1905 and 1906; Thomas W. Lawson's *Frenzied Finance*, in *Everybody's* in 1905. Novelists took up the tale, and a series of important social documents came from the pens of men like Upton Sinclair, whose *Jungle* (1906), was concerned with the Chicago stockyards; Frank Norris's *Octopus* (1901), which told of the struggles of the farmers against the domination of the Southern Pacific Railroad; Winston Churchill's *Coniston*

(1906), which had to do with the political processes of a New England state.

This company was joined by political and social theorists, who began to explain the need for the assumption of a greater responsibility on the part of the government toward business and the social processes. Among these were to be found Herbert Croly's *Promise of American Life* (1909); Walter Lippmann's *A Preface to Politics* (1913); Walter Weyl's *New Democracy* (1912); and Jane Addams' *The Spirit of Youth and the City Streets* (1909).

Accomplishments. These pressures had their effect; and there began to appear on state statute books many reform acts, which had to do with the extension of direct government, the more careful supervision of corporate practices, and welfare legislation. Characteristic of the first were laws establishing the direct primary, the initiative and referendum, and the recall of elective officials. Legislators were being held responsible for the naming of United States Senators chosen by the people themselves; and in 1913, the Seventeenth Amendment, for their popular election everywhere, went into effect. Similar progress had been made in connection with the grant of the franchise to women in state elections; in 1920, the Nineteenth Amendment, giving all women the vote, was proclaimed.

Reformers also sought to attack corporate privilege in the states by passing antilobbying laws, laws controlling the granting of franchises, and laws creating public utilities commissions, to regulate the practices of transportation, electric, gas, and water companies. The number of state elective officials was reduced, the executive budget was created, and the civil service was extended. Municipal governmental processes similarly were improved; home rule was granted to many cities; new charters were written, providing for the centralization of responsibility in the hands of small elective commissions; and city manager plans, executive budgets, the standardization of salaries, and public letting of contracts were widely adopted. The municipal ownership of water supply system, gas and electric plants, and transportation facilities became common.

Finally in many of the states, welfare legislation began to make its appearance. These new codes included workmen's compensation laws; laws raising the ages of entry of children into industry; laws fixing maximum hours of work for children, women, and even men; minimum wage laws for women; safety and health codes; mothers' assistance acts to furnish public aid to dependent children; and old age pension laws. This was trail-blazing of a significant character. Another two decades were to elapse, however, before the Federal government was to enter the field of social legislation.

4. *THE WORKERS*

The American Federation of Labor. During this period, the trade union movement was on the defensive. The American Federation of Labor had got off to a good start, in the late 1880s, when it was able to claim the affiliation of twelve national trade unions with a membership of 140,000. Samuel Gompers, who continued to be elected president of the A.F. of L. annually until 1924 (except for the single year 1894), was the movement's uncontested leader and source of inspiration. Trade unions—largely based upon the crafts—were to be free and independent associations; they were to eschew government aid; they were to take care of their own unemployed, sick, aged, and needy through friendly benefits; and they were to be militant. Using the weapons of the strike and boycott, the unions were to fight for recognition—through the trade agreement and the

closed shop—and for higher wages and shorter working hours. This was "pure and simple trade unionism" to Gomper's enemies: for American craft unionism had neither a political program nor a radical ideology. This was the principle of voluntarism; it remained at the heart of American trade union theory and tactics until 1935.

The A.F. of L. unions made notable advances from 1893 to 1907. They won eight-hour day contracts in many industries; succeeded in writing trade agreements; and sometimes even obtained the recognition of the union shop. By 1900, the A.F. of L. unions claimed a membership of 550,000; by 1905, this had grown to 1,600,000, in 90 national and international bodies. But from 1907 to 1914, trade unionism made no headway. The great corporations were able to fight back effectively, and they met fire with fire. They locked out workers; banded together to resist the union shop; and appealed—successfully—to the courts, through injunctions, to stop boycotts and halt strikes. Unions were even sued for damages under the Sherman Anti-Trust Law and, as a result of the Danbury Hatters case, even the property of workers themselves was attached in satisfaction of one such judgment. This so-called open-shop movement was successful; so that, in 1914, A.F. of L. unions had only 2,000,000 members. Unionism had made no progress in the metals and machinery industries, in meat packing, water transport, and oil refining.

American trade unionism had displayed structural weaknesses as well. Organization on the basis of crafts inevitably led to jurisdictional disputes between the unions themselves. This was true not only of those industries where a certain degree of skill continued to exist; it was more particularly so of those where technological advances had wiped out all the lines of demarcation between crafts. In these so-called mass production industries, unionism got nowhere. Industrial unionism was the only answer; and this did not appear until the 1930s.

Socialism. Upon the inadequacies of the labor movement, the growing disparities between wealth and poverty, and the inability of real wages to climb—for the first time in American history—radicalism thrived. Socialism grew by leaps and bounds. It was revisionist and gradualist; it had the inspiring leadership of 'Gene Debs; it had a fine press and an excellent youth organization. In 1910, it elected a mayor of Milwaukee and sent the first Socialist Congressman to Washington. In 1912, Debs polled almost a million votes. Socialist officials were no longer rarities and were to be found everywhere in the United States in state legislatures and municipal councils. It appeared that here was America's third party movement finally and permanently emerging.

The I.W.W. Farther to the left was another home-grown radical organization, the Industrial Workers of the World. Appearing in 1905, the I.W.W. espoused a syndicalist philosophy, that is, the revolutionary organization of workers into industrial unions to preach the class struggle and to organize the future classless society. The I.W.W., like all syndicalist movements, was hostile to the state, and therefore refused to enter politics. Its leaders were fearful of the effects of industrial collaboration, and would sign no trade agreements. Their chief tactic was sabotage; their "myth" the general strike. Under such relentless pressures, capitalism would succumb and the "syndicates" would take over.

The I.W.W. made its strongest appeal to the migratory workers of the Far West; the unorganized workers of the South; and the new immigrants from southern and eastern Europe. It waged many aggressive strikes and some of its huge demonstrations took on the aspect of mass uprisings. Meeting with successes among the metal miners and lumber-camp workers of the Far West, it moved east in the 1910s and appeared among the steel workers of Pennsylvania and the textile workers of Paterson, New Jersey, and Lawrence, Massachusetts. Because it was a revolutionary

movement, it was savagely resisted. But it had a fatal weakness: it could not build stable unions, and its membership was floating and transitory.

5. THE NEW FREEDOM

The Election of 1912. Out of such a background of discontent and unrest emerged the New Freedom. The deep division in the ranks of the Republicans indicated that now, for the first time in two decades, the Democracy once more had its opportunity.

The Republican convention met in June, 1912. The delegations pledged to Roosevelt were given short shrift and the hand-picked Taft supporters were seated. Taft and Sherman were renominated. The platform paid no attention to the clamor for change and sought the support of the electorate on the basis of Taft's achievements in office.

The Democrats assembled at the end of June in Baltimore, where immediately a bitter contest developed between the backers of Champ Clark, Democratic speaker of the House, and Woodrow Wilson, New Jersey's governor. Bryan stood on the sidelines (hoping that the supporters of the two leading candidates would remain deadlocked); but when he saw Tammany Hall switching its support to Clark, he turned to Wilson. Because the rules of the Democratic convention still required a two-thirds vote for a choice, it was not until the forty-sixth ballot that Woodrow Wilson was named for the presidency. Governor Thomas R. Marshall of Indiana was nominated as his running mate. The platform was a Bryan document and had something in it for every reformist group.

On August 5, the Roosevelt supporters assembled at Chicago for the purpose of creating the Progressive party. Roosevelt was nominated by acclamation and to run with him Hiram W. Johnson, California's reform governor, was chosen. The Progressive platform called "A Contract with the People"—was not very much unlike that of the Democrats, except that it was more solemnly phrased and spoke in the language of high evangelical endeavor.

It was plain that Taft was out of the running; the contest was between the Democratic and the so-called Bull Moose forces, and it was wordily waged. Roosevelt called for a strongly organized central government, which was to act as the reforming agency. Wilson placed his faith in the states. Roosevelt regarded the processes of concentration and corporate activity as inevitable, but he advocated the strictest governmental supervision to protect the consumer and the small businessman. Wilson was not opposed to Big Business, but only to those concerns that had established monopolies; these had to be broken up. Small business, following Louis D. Brandeis, he regarded as the normal; Big Business was suspect. There was an important difference in philosophy here; but Wilson's was much harder to realize than Roosevelt's. The electorate made little effort to differentiate between the two, Roosevelt's "New Nationalism" and Wilson's "New Freedom" sounding very much the same to untrained ears. It is doubtful if the independents voted for either; for Debs's large vote indicated that here is where the real protestants went.

Wilson was elected to the presidency, although he obtained only a plurality of all the ballots cast. Wilson's popular vote was 6,286,000; Roosevelt's 4,126,000; Taft's 3,484,000; and Debs's 987,000. The electoral vote which made Wilson President was as follows: Taft 8, Roosevelt 88, and Wilson 435. The Democrats, too, swept the Congressional and Senatorial elections for the first time since 1892.

State Interventionism. The implementation of the New Freedom marked a landmark in American public affairs: it was the beginning of state interventionism on a large scale. Un-

der Woodrow Wilson, government seemed to move over the whole economic landscape to regulate and control. Not quite the whole: for while labor—it was assumed—was to be protected from the injunction and child labor, presumably, was outlawed, not even a start was made in the field of social insurance. To this extent, it may be said that the New Deal took up where the New Freedom left off; and only then was completely realized the original program of the social reformers of the first decade of the twentieth century.

Tariff of 1913. In his First Inaugural, Wilson pledged his administration to the support of three major domestic policies: tariff revision, banking and currency reform, and additional trust legislation. In less than a year and a half, acts covering these subjects were passed; they represented achievement of the highest order. The so-called Underwood Tariff Act of 1913 revised sharply downward most of the rates in all its fourteen schedules. In all there were reductions on 958 items; and an over-all cut of 10 percent from the average of duties in the Tariff Act of 1909. This was moderate protectionism, to be sure, but it was a protectionism that sought to cover only infant industries; and the act's free list, particularly of daily necessities and of articles in common use by farmers, was very large. Finally, it was the first tariff law to incorporate an income tax, which had been authorized through the ratification of the Sixteenth Amendment in 1913.

Federal Reserve Act. Next came the writing of the Federal Reserve Act, which President Wilson signed on December 23, 1913. The inadequacies of the national banking system, by this time, had been generally recognized by legislators, bankers, and businessmen. It had provided the country with an inelastic currency; the reserve system it had set up was largely a fictitious one; and it had no machinery—through the rediscount rate and open market operations—to control the booms and depressions of the business cycle.

Following the panic of 1907, Congress had sought to write new financial and monetary legislation; and it had passed the Aldrich-Vreeland Act of 1908. The most important part of this law was the provision for the creation of a National Monetary Commission to be made up of Senators and Congressmen. This commission, under the chairmanship of Senator Aldrich, from 1908 to 1912 made a series of elaborate examinations into the banking and currency systems of European nations; and it prepared a bill which had some influence upon the final shaping of the Federal Reserve Act.

The new banking law was largely written by the House Committee on Banking and Currency, of which Carter Glass was chairman. First introduced in June, 1913, a completed measure emerged in less than six months. The outstanding characteristics of the Federal Reserve System, thus created, were the following: (1) There were to be twelve federal reserve banks as against a central bank. (2) There was to be an elastic currency based on commercial and agricultural paper. (3) There was provided the mobilization of reserves in the federal reserve banks, which made them, as Glass said, "instead of private banks in the money centers, custodians of the reserve funds of the nation." (4) Government money (federal reserve notes), in place of the bank notes of the former national banking system, was to be the basis of the country's currency. (5) The federal reserve banks were invested with the rediscount function, so that member banks were in a position to sell their commercial paper and government securities to these agencies; and the reserve banks, by raising and lowering their rediscount rates—and the reserve requirements—could contract and expand the flow of commercial credit. Also, the federal reserve banks might engage in open market operations, and they were to issue the federal reserve notes. The whole system was placed under the control of a Federal Reserve Board of seven members, two of whom were to be the Secretary of the

Treasury and the Comptroller of the Currency and the other five were to be appointed for ten year terms by the President with the consent of the Senate. For the first time, some attention was paid to the needs of the agricultural communities of the country for an expanded credit. The rediscount period for commercial paper was to be three months; but for agricultural paper it was to be six months.

Anti-Trust Legislation. On January 20, 1914, President Wilson once again appeared before Congress, this time to ask for the vindication of his campaign pledges concerning the trusts, and more particularly for legislation to establish free competition once more in the American business life. The keystone of the President's trust program was the proposition that "private monopoly is indefensible and intolerable." Congress immediately complied and in September, 1914, it passed the Federal Trade Commission Act and in October, 1914, the Clayton Anti-Trust Act.

The Federal Trade Commission Act abolished the Bureau of Corporations and in its place created an agency which was to have both investigative and regulatory powers. It could conduct investigations on its own account or at the request of the President or Congress. As a regulatory body, it was empowered to declare "unfair methods of competition and commerce" illegal. Having determined that such unfair methods existed, upon complaint, it could issue "cease and desist orders," which were enforceable in the federal courts. It is to be observed that criminal or civil penalties for violations of the commission's orders were not incorporated in the act; rather, it was the intention of Congress to utilize the commission, through investigation and publicity, for the purpose of establishing the existence of practices that were curtailing "effective competition." Once unlawful restraints of trade were indicated, the government had at its command the Sherman Law and the newly enacted Clayton Law as punitive devices.

The Clayton Law was, in effect, an amendment to the Sherman Law and it contained principally three distinct sets of provisions: (1) It prohibited certain corporate practices, notably those that had to do with interlocking directorates in industrial corporations and banks. (2) It prescribed remedies for relief. (3) And it excepted organized labor from the provisions of the anti-trust laws. The labor provisions of the act were to be found in Sections 6 and 20. Section 6 was hailed as trade unionism's Magna Carta, because it declared that "the labor of a human being is not a commodity or article of commerce; nothing contained in the anti-trust laws shall be construed to forbid the existence and operation of labor, agricultural, and horticultural organizations." Section 20 sought to protect workers from the indiscriminate use of injunctions by the federal courts. Unfortunately, in the twenties, the federal courts and more particularly the Supreme Court found big enough loopholes in both the sections to render them virtually nugatory. It was not until the passage of the Norris-La Guardia Anti-Injunction Law of 1932 that labor was finally given adequate defenses against legal abuses; and not until the passage of Section 7(a) of the National Industrial Recovery Act of 1933 and the Wagner Labor Relations Act of 1935 that the independence of trade unionism in the United States was finally recognized.

Farm Legislation. Nor did the New Freedom neglect the needs of the farmers. The Federal Reserve Act had given attention to their demands for more short-term credit facilities. The Federal Farm Loan Act of 1916 created a machinery for the financing of their long-term credit requirements. Patterned after the Federal Reserve System, the Federal Farm Loan System set up 12 federal land banks, in as many districts, which were to help finance the activities of cooperative farm loan associations and joint-stock land banks. Each farmer could borrow up to 50 percent of the value of his land and 20 percent of the

value of his permanent improvements. Finally, in 1923, Congress rounded out this program when it established the federal intermediate credit banks, to rediscount agricultural paper and to lend directly to farm cooperatives.

In addition, Wilson's Congresses passed the La Follette Seamen's Act of 1915, which was a charter of liberties for America's seamen; the Keating-Owen Child Labor Act of 1916, which was designed to prevent the entry into interstate commerce of the products of child labor; and the Adamson Law of 1916, which established the eight-hour day on interstate railways. The New Freedom might have continued exploring other fields; but dark clouds were forming over the skies of Europe, and before long the world was plunged in a sanguinary war. Although the United States proclaimed its neutrality at once, it was inevitable that Washington should be involved in war questions. An examination of the foreign policies of Roosevelt and Taft is in order first, however.

6. FOREIGN AFFAIRS UNDER ROOSEVELT, TAFT, AND WILSON

Foreign Policy Under Roosevelt. In his relations with other nations, Theodore Roosevelt pursued an aggressive course. He defended and extended the Monroe Doctrine; he acquired the Panama Canal; he intervened actively in African and Asiatic affairs; and he built up the American navy until its power was second only to Britain's. When Roosevelt left the White House, these two precepts had become the common coin of American foreign policy. The United States, with economic interests all over the world, was an international power, whose spokesmen were entitled to an equal place at the council tables of the world. And the United States was sovereign in the Western Hemisphere; it was to us that Europe might look for the maintenance of the peace and the discharge of their financial obligations by Latin American nations. (This meant intervention, of course; and it took almost a quarter century before the United States was ready to recognize it had erred when it claimed this right.)

Panama. In 1902, when European Powers threatened to land in Venezuela to force the satisfaction of the financial claims of their nationalists, Roosevelt at once interceded and compelled the establishment of an arbitral machinery. Panama, also, had his constant attention. Reference has already been made to the fact that Great Britain had consented to a revision of the earlier Clayton-Bulwer Treaty of 1850, under which any isthmian canal constructed by either the United States or Great Britain would be jointly controlled and would be neutralized for the service of all nations. In February, 1902, the Hay-Pauncefote Treaty between the two countries was ratified under which the early convention was abrogated and the United States' exclusive rights in the building and fortification of a canal were recognized.

Meanwhile, a French company had begun the construction of a canal across the isthmus, but it had gone into bankruptcy. Its properties and claims had been taken over by the so-called New Panama Canal Company, which had placed a value of $110,000,000 on its rights. But Congress was much more responsive to the idea of building across Nicaragua; and, in fact in 1902, the House had passed a measure authorizing such a project. Roosevelt himself favored Panama; brought pressure to bear on Congress; and Congress, in turn, yielded. In June, 1902, it passed an act which authorized the purchase of the New Panama Canal Company's claims for $40,000,000 and the opening of negotiations with Colombia for the acquisition of perpetual control of a canal zone at Panama. But Colombia now be-

gan to delay and evinced no interest in the ratification of a convention with the United States. It was at this point that Roosevelt intervened. The province of Panama, in November, 1903, revolted and was immediately recognized as an independent nation by the United States. The history of this uprising is somewhat obscure; but there is no doubt that the immediate appearance of American warships on the scene prevented the Colombian army from effectively coping with the insurgents. In any case, on November 18, Panama formally signed a treaty with the United States.

The United States recognized Panama. In return: we were granted in perpetuity the use of a Canal Zone ten miles wide; the Republic of Panama transferred to the United States the properties of the New Panama Canal Company and the Panama Railroad Company; and Panama was to receive $10,000,000 in gold and an annuity of $250,000. Construction was commenced in 1907 and seven years later the first ocean steamer passed through the completed Panama Canal. It had cost the United States $275,000,000 to build and another $113,000,000 to equip with military and naval defenses. The protection of the seaways leading to the Canal continued to be the basis of American interest in the Caribbean region.

The Roosevelt Corollary. It was because of this preoccupation that Roosevelt, during 1904–5, was to enunciate the so-called Roosevelt Corollary of the Monroe Doctrine. As a result, for twenty-five years, Latin American countries continued to regard the United States with hostility. In effect, the corollary meant that the United States assumed complete responsibility for the maintenance of civil order and the protection of property rights, European as well as American, in the Western Hemisphere; the Monroe Doctrine, said Roosevelt, forced the United States "to the exercise of an international police power."

The outbreak of a series of insurrections in the Dominican Republic, between 1899 and 1905, had encumbered the government with a great debt, two thirds of which was held in Europe. The inability, or the failure, of the Dominican government to service these obligations led to continued pressures by European nations on the Dominican officials. These threatened to intervene; and the impending crisis prompted Roosevelt, in his Congressional message of December 2, 1904, to enunciate his doctrine. The Dominican Republic bowed before the inevitable, and wrote a treaty with the United States which accepted American supervision of its custom houses and management of its finances. The Senate was reluctant to ratify the original convention; but in 1907 finally consented. The Dominican Republic, later Haiti and Nicaragua—in fact the Caribbean region and Central America—virtually became American protectorates.

Asia and Africa. Roosevelt was to be found interesting himself in the Far East and in the Mediterranean as well. The Russo-Japanese War had broken out in February, 1904 and, after it had dragged on for a year, Roosevelt proffered his services as mediator. The United States, because of the Philippines, was in the Pacific; furthermore, Roosevelt did not want to see a decisive victory for either Japan or Russia lest the balance of power in the Far East be upset. In the summer of 1905, Roosevelt's good offices were accepted, and on August 9 a peace conference was assembled at Portsmouth, New Hampshire. The treaty that followed was a triumph for Roosevelt and American diplomacy; Japan and Russia both remained in eastern Asia to watch each other.

Roosevelt also insisted that America had rights in the Mediterranean which the European powers had to consider in their fight over the partition of Morocco. A conference at Algeciras, Spain, was held in January, 1906, in which American delegates participated. The convention that followed recognized Morocco's territorial integrity; guaranteed the Open Door to the merchants and investors

of all nations; and created a police force under the joint supervision of France and Spain.

Taft's Foreign Policy. President Taft continued along the lines laid down by his predecessor. The United States intervened in Honduras and Nicaragua; and it pressed vigorously for the right of American capital to participate in the development of China. In the latter case, we were not too successful, for American bankers were admitted to participation in only one railway loan—and that a joint one. We were not yet powerful enough financially to push our claims to recognition as an investor nation. But the 1940s were to tell another story.

Wilson and the Caribbean. Woodrow Wilson—despite his lofty pretentions—made no effort to jettison the policies of Roosevelt and Taft. They had been engaged in adventures in "dollar diplomacy"; and he regarded with disfavor intervention to protect property rights. Thus, at Mobile, in October, 1913, he could say: "It is a very perilous thing to determine the foreign policy of a nation in terms of material interest. It not only is unfair to those with whom you are dealing, but it is degrading as regards your own actions." This was a distinction without a difference; for Wilson was to meddle in the Caribbean and in Mexico for security reasons, if not for economic ones; in any case, it was intervention.

Marines were landed and a naval administration was set up in Haiti in 1915; the same tale was repeated in the Dominican Republic in 1916; our forces continued to dominate Nicaragua. And, in 1917, the United States bought the Virgin Islands from Denmark for $25,000,000.

Mexico. Wilson's record in Mexico was no better. He laid down the dubious principle that governments established by revolution were not to receive recognition; and then violated it himself by seeking to distinguish between "good" and "bad" revolutionists.

In 1911, under the leadership of Francisco Madero, Jr., the dictatorial Díaz government of Mexico was challenged and in May of that year Díaz, recognizing the inevitable, abdicated. Madero entered Mexico City in triumph; but the next year was to see internecine warfare breaking out among the revolutionary generals. The United States was cool to Madero; he could not cope with the insurgent armies; and in February, 1913, he was killed by the order of Victoriano Huerta. Huerta proceeded at once to install himself as provisional president.

In March, 1913, Wilson indicated his displeasure. He declared that he would have nothing to do with Huerta or with any government based on military seizure. He was interested in seeing a truly democratic government established in Mexico, and such he was prepared to assist; but he would not, he promised, send an armed force into Mexico to protect American business interests. Wilson's refusal to recognize Huerta had no effect on the European Powers, which, by the middle of 1913, had generally recognized the de facto government.

Wilson called his policy one of "watchful waiting"; this, however, did not prevent the running of guns into Mexico to assist the anti-Huerta forces. In 1914 he was intervening when Mexican ports were blockaded and American marines seized Vera Cruz. Huerta gave up the unequal struggle; he was succeeded by Venustiano Carranza; and soon the insurgent leaders fell to quarreling—and fighting—among themselves. In October, 1915, Wilson decided to recognize Carranza, and in this he was followed by the Latin American and European nations.

Francisco Villa, another popular leader, was displeased. He engaged in reprisals against Americans in Mexico and then, in March, 1916, he crossed the American border and raided the town of Columbus, New Mexico. An American punitive expedition was immediately dispatched into Mexico, headed by Brigadier General John J. Pershing; and in June, 1916, Wilson called upon all the state

militias of the nation to mass on the border. Pershing stayed in Mexico nine months and came out in February, 1917, without however, having caught Villa.

Our involvement in Mexican affairs did not terminate here. A new Mexican constitution was drawn up in the spring of 1917, which not only incorporated progressive social legislation; it secularized education, nationalized Church properties, and declared that the soil and subsoil of Mexico belonged to the Mexican people. The Catholic Church was alarmed, as were British and American interests, which had obtained their concessions for a song from the corrupt Díaz government.

Both these groups brought pressure to bear on Wilson and, in fact, there was a party in his Cabinet that urged our intervention again. But Wilson was now deeply immersed in European problems; indeed, when the radical Mexican constitution was promulgated we were already at war.

7. *WORLD WAR I*

Neutrality. World War I had broken out in August, 1914 and, despite America's sincere efforts to remain neutral, it became at once apparent that the United States could not keep clear of the struggle. The concept of "neutrality" had been devised for a simpler day: for it was based on the assumption that a nonbelligerent could continue trading with both parties in a war—as long as the rules were observed—without real risk to itself. Wilson called upon Americans to remain "impartial in thought as well as in action"; but we could supply and finance both sides—as far as we were willing and able.

For this the President was universally applauded; but it was soon clear that American isolation could not be safeguarded. On the one hand, American neutrality was being sorely tried by the British, whose rewriting in their own interest of maritime law gravely abridged American freedom of the seas; and on the other hand, the declaration by Germany of unrestricted submarine warfare jeopardized American lives and shipping. From the legal point of view, both Britain and Germany were violating America's neutral rights; morally, however, it was becoming Wilson's conviction increasingly that Germany was the threat to the peace of the whole world.

It should be observed in passing that Secretary of State Bryan did not see eye to eye with his chief; and he protested vigorously against the violation of America's neutral rights by the British navy. Bryan, however, received neither the support of Woodrow Wilson nor that of the American ambassador at London, Walter Hines Page. The result was, not only did the British set up an illegal blockade, but they also vastly extended the contraband lists until virtually there was no longer a distinction between goods destined for the aid of the armed forces and those for the civilian populations. Further, Britain extended the right of search, and brought American ships into British ports in order to examine their cargoes and frequently to detain them for many months on end. It was felt by many Americans that Britain was as much interested in preventing American goods from entering legitimate European markets as it was in starving the German civilian population and crippling the German military machine. In any case, American protests against the British practices went unheeded, so that in effect, by 1916, we were actually adopting a policy of benevolent neutrality toward the British blockade.

The Lusitania. Ironically enough, the Germans, when they launched their submarine attacks, claimed that the illegal British blockade forced them to resort to desperate measures. For, in February, 1915, the Germans declared that all the waters surrounding Great

Britain and Ireland constituted a war zone and that all vessels entering the area would do so at their own risk. This was the opening of Germany's campaign of unrestricted submarine warfare.

In March an American lost his life as a result of submarine action when a British ship was sunk; on May 1, an American ship was attacked and two Americans were killed. And then on May 7 the *Lusitania*, the British Cunard line's crack ship in the North Atlantic passenger trade, was struck by two torpedoes and sank in eighteen minutes. More than 1,100 passengers and crew went down with the ship, among them 124 American citizens.

Immediately, Woodrow Wilson issued a solemn warning to the Germans: the American government refused to accept the utilization of the submarine as a lawful device of warfare; we would hold the German government to "strict accountability." The failure of the Germans to give assurance that submarine attacks would terminate led to a second note in June. This Bryan refused to sign and he resigned from the State Department. The third note of July 21 was actually an ultimatum. In September, the Germans gave way before the American pressure and promised the abandonment of unrestricted submarine warfare against passenger ships. But in March, 1916, the sinking of the French steamer *Sussex*, with a loss of three American lives, led to a demand that submarine warfare be entirely terminated. If the Germans refused, Wilson went on to say, diplomatic relations between the two governments would terminate. In May, 1916, the Germans capitulated and the threat of war was laid at rest for another nine months.

The Election of 1916. It was in the midst of war alarms that the election of 1916 took place. The conservatives were once more in control of the Republican party and, when its convention met at Chicago in June, they nominated Supreme Court Justice Charles E. Hughes of New York for President and Fairbanks of Indiana for Vice President. The Progressives also assembled at Chicago and again they named Theodore Roosevelt for their candidate; as had the Republicans, the Progressives attacked Wilson's foreign policy. But Roosevelt knew he had run his brief race, and he declined the Progressive nomination. He called upon "all progressive-minded and patriotic-minded men" to support Hughes; and in doing so, he killed the movement that had sought to reform the Republican party.

The Democrats renamed Wilson and Marshall; and, naturally, they pointed with pride to their impressive achievements during the previous four years. The canvass itself was conducted with much heat and little light. Both parties insisted that the United States be kept out of the war; but the Republicans made more mistakes than the Democrats. The Republicans cultivated pro-German groups; and Hughes, when he went to California, refused to meet Hiram Johnson. This last was fatal to his cause, for he lost California by a handful of votes—and the election, as a result. Wilson received 9,130,000 votes; Hughes got 8,540,000; Allen L. Benson (the Socialist candidate) got only 585,000. In the electoral college the vote was 277 to 254. The Democrats again captured both Houses.

American Entry into World War I. Wilson's followers had used tellingly the slogan "He kept us out of the War," and this undoubtedly had had a great effect in the Middle West. Yet every conceivable influence was being utilized, willfully or not, to drag us into the conflict. The land was filled with the propaganda of British and French agents. The British controlled the Atlantic cables so that only the news favorable to their cause reached the American reading public; this was particularly true of the tales of German "atrocities" in Belgium. On the other hand, the Germans here handled themselves without skill. They identified themselves with the wrong people; were caught red-handed in

plots to destroy American munition plants; and suffered the ignominy of having their military and naval attachés recalled from Washington.

Nor must our growing industrial and financial ties to the Allied powers be disregarded. When war broke out not only did the New York Stock Exchange close, but a business recession hit the country. Prosperity slowly returned only because of the following: (1) Americans began to supply Allied needs for munitions, raw materials, and foodstuffs in growing quantities. (2) American foreign trade was also growing in other regions, largely at the expense of the English. (3) European loans were being raised in this country; and this in turn led to an expansion of bank credit and of industrial enterprise.

In the beginning, the English and the French sought to finance their war purchases in the United States by shipping gold and repatriating European-owned American securities. But the bottoms of these barrels were scraped clean very soon; Americans had to assist financially if their wartime prosperity was to continue. The result was the flotation of the first great Anglo-French loan for 500 million dollars in October, 1915. In 1916, four additional loans brought in another half billion. In addition, the Allies continued to finance their purchases through short-term treasury bills. By the end of 1916, the Federal Reserve Board took alarm. Too much, it pointed out, of the liquid funds of American banks were being tied up in the treasury bills of the Allied governments; member banks were warned against the continuance of such practices. On the other hand, it is important to observe that because of the blockade, the Germans could make few purchases in this country; and not more than 20 million dollars in German securities were disposed of here.

Meanwhile, throughout the country, more and more voices were being raised in behalf of American intervention. Germany was seeking to establish its political hegemony over the whole world; if Britain failed, the United States would inevitably be the next victim of the German might. (That this analysis was not wide of the mark was indicated by the publication of the so-called Zimmermann note. This secret dispatch was sent to the Mexicans by the German foreign office and offered Mexico an alliance on the basis of the restoration of the "lost territory" of Texas, New Mexico, and Arizona.) Those hostile to Germany, therefore, pressed for the passage of preparedness measures; and Wilson, who was beginning to read the future in a somewhat similar fashion, fell in with these plans. In August, 1916, he signed an army appropriation act which called for the setting up of a Council of National Defense; and another act authorizing the expenditure of a half billion dollars for an augmented navy.

Two factors forced the United States into the war, the first psychological and the second military. First, it was hard to claim that World War I was a war for democracy as long as in the company of the allied powers was to be found the absolutist and despotic Imperial Russian Government. But in March, 1917, the Czarist regime was overthrown and the so-called Kerensky government established a ministry representing a coalition of all the democratic forces in Russia. American liberals could now support the Allied cause without reservations.

Second, somewhat earlier in January, 1917, Germany, more and more constricted by the British blockade, decided to resume unrestricted submarine warfare. The Germans knew that this meant war with the United States; but they hoped that, with the withdrawal of the pressure of the Russians on the eastern front, they could succeed in striking a quick knockout blow on land and undersea before America was ready. President Wilson, on February 3, took the inevitable step: he announced to Congress that diplomatic relations between the United States and Germany

had been ended. And when it was discovered —as has been said—that German intrigue in Mexico was seeking to cause turmoil in the Western Hemisphere, events moved toward the inevitable decision.

In March, three American ships, homeward bound, were sunk without warning. On March 21, Wilson called Congress to meet in special session on April 2. On the evening of that day, Wilson asked Congress to declare war. It was not simply that the German government had violated its pledges; our entry had broader grounds. We were fighting for "the ultimate peace of the world and for the liberation of its peoples, the German people included; for the right of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for Democracy." Congress passed a war resolution on April 6.

8. *WINNING THE WAR AND LOSING THE PEACE*

Mobilization at Home. The ability with which the United States was able to prepare itself, psychologically and industrially, for the military effort astounded Americans and the whole world. Before hostilities were over, we had inducted into the national service almost three million men, which, with the 750,000 members of the regular army and the National Guard, made a potential fighting force of three and one half million soldiers. A total of five popular loans was floated during the period June, 1917, to April, 1919, and these brought in upwards of 21 billions of dollars. From borrowings and taxes, the United States not only financed its own war expenditures, but it also was able to lend its allies more than 10 billions of dollars. A whole group of wartime agencies was erected to mobilize America's industrial might, among which the following were the most important: the War Industries Board, the Railway Administration, the Emergency Fleet Corporation, the War Trade Board, the Food Administration, and the Fuel Administration. The railroads were taken over by the Federal government; America's foreign trade was centralized in the hands of a governmental authority; and some 50 million acres of new lands were opened to the cultivation of food crops. A Committee on Public Information sought to enlighten Americans and peoples all over the world, as well, about the United States' idealistic motives; while the Attorney General and the Postmaster General vigorously—and frequently oppressively—engaged in tracking down and punishing dissent.

The speeches and messages of Woodrow Wilson were America's most important weapon in the campaign of psychological warfare waged all over the earth. In his address at Washington on June 14, 1917, Wilson called the war a "People's War." In his message to Congress, on January 8, 1918, he outlined in his famous Fourteen Points, the kind of peace America was striving for: it was to be based on open covenants, the removal of economic barriers between all nations, self-determination, and the formation of a "general association of nations." And in his Congressional message of February 11, 1918, he pledged the United States to a program which was to include "no annexations, no contributions, no punitive damages."

At only one point did American organization for war fail, and this was in connection with control over prices and the checking of inflation. The upshot was that the cost of living climbed steadily. From 1914 through 1918, wholesale prices increased 100 percent; from 1918 into 1920, they went up another 20 percent. From 1914 through 1918, real wages dropped more than 20 percent; but by 1920 they had been almost restored to 1914 levels.

Trade unions failed as far as wage increases were concerned; but organizational drives

met with greater successes. In 1914, the membership of the unions affiliated with the American Federation of Labor was 2,021,000; by 1918, this had increased to 2,726,000; and by 1920, to more than 5,000,000. There were many wartime strikes; but in 1918, due to the erection of machinery for conciliation and to wage increases on railroads and in stockyards and munition plants, the number of industrial disputes fell off sharply. The War Labor Conference Board, set up in 1918, adopted a program which was based upon the recognition of collective bargaining, the eight-hour day, and a living wage for workers everywhere.

Military Operations. Despite the continuance of the submarine campaign, America was able to move large amounts of supplies and a great army of men overseas. In the nineteen months of American participation, more than two million men were sent to Europe; a half million were carried across in the first thirteen months and a million and a half in the last six months. General John J. Pershing was named Commander-in-Chief of the American Expeditionary Force and he appeared in Paris to begin the work of preparing an American army for combat in June, 1917. The Allies sought to brigade American troops with the British, French, and Italian divisions; but Pershing was insistent that an independent American army under his own command be established. In August, 1918, Foch, the generalissimo of the Allied forces, yielded, and the First American Army was created. It took over a section of the Western Front and, before the war was over, American troops under their own officers were defending almost a fourth of the whole line.

The final German offensive was begun in March, 1918, and continued through July. In these battles, Americans took part, the most important one being at Château-Thierry. Here, the American stand prevented the Germans from crossing the Marne and continuing on to Paris. Now the Allied armies took the offensive, and from July 18 until the Armistice on November 11, they struck again and again at the weakening German host. In September, more than a half million Americans took part in the battle of the Meuse-Argonne. These attacks broke the back of the German resistance.

The American navy also played its role in the war, although its feats were less spectacular. American warships harried the submarines and so well did they succeed that, by 1918, few undersea boats were daring to leave German waters. They also sowed mines, engaged in mine sweeping, reinforced the British blockade, and convoyed the great American transport fleet. Before the war was over, there were stationed in European waters at least 300 American warships.

American casualties were as follows: battle deaths, 48,909; wounded, 237,135; missing in action and prisoners, 7,347. In addition 57,000 men died of disease.

The Germans knew that the war had been lost by the midsummer of 1918; and in October, they began to send out peace feelers. Finally, on November 8, the Kaiser abdicated and on November 11 armistice terms were signed. They were largely based upon Wilson's Fourteen Points.

The Congressional Elections of 1918. In October, 1918, Wilson made an appeal to the American people for the election of a Democratic Congress. This was a curious step to take in view of the fact that the Republicans had supported every war measure wholeheartedly. It was an unfortunate one as well, for Wilson's request was spurned by the American electorate. The Republicans captured both houses of Congress; and indeed, it was to be a Republican Foreign Relations Committee in the Senate that was to discuss the new treaty Wilson was to bring home. Wilson was responsible for another unfortunate blunder for, in his creation of the American Peace Commission which was to accompany him to Paris, he failed to include representatives either from the Senate or from the company of outstanding Republicans.

The Treaty and Its Defeat. The Peace Conference assembled at Versailles in January, 1919, and by May had prepared a voluminous document containing more than 400 articles and covering in exact detail all kinds of territorial, economic, industrial, and legal arrangements. On June 28, Germany signed, and the war was over. Most important, as far as Americans were concerned, was the incorporation in the treaty of a Covenant calling for the establishment of a League of Nations.

Wilson had gone off to Paris his hopes high; and, despite the fact that the Conference was filled with bickering and many bad compromises were effected, he had failed to lose heart. If there were injustices written into the treaty, the League of Nations would see to it in time that an enduring peace was established throughout the world.

But Wilson had committed errors and these turned out to be tragic. He had refused to treat with the victorious Republicans, or in fact to take them into his councils; he had failed to reckon with the ingrained isolationism of large sections of the American people; and he had shown an incapacity to compromise with the Senate in order to salvage what he could. The result was he lost control; and a small and vindictive company of Senators had their way and spurned the treaty. The United States did not join the League of Nations and our withdrawal into isolationism, political and economic, for the next ten years had as much to do with the depression and the rearming of the world in the thirties as any other single factor. Our unhappy fate during the twenties was that we hung suspended between two worlds: our economy and our influence in world affairs prevented the adoption of a purely nationalist policy; and, on the other hand, we were unwilling to pursue a course based on full international collaboration.

The League Covenant, in addition to setting up an assembly, a council, a permanent secretariat, and a world court, included a number of provisions for the maintenance of peace. In particular, Article X bound the signatories to protect the territorial integrity and political independence of all members of the League; and Article XVI pledged its members to impose economic penalties, or sanctions, upon those nations which waged war in disregard of their promises to submit their disputes for arbitration or judicial settlement. The council, in such cases, might recommend to members of the League the adoption of military measures against the aggressor nations.

President Wilson ran into difficulties virtually from the beginning. The treaty, including the League Covenant, was placed before the Senate in July; and there followed a long and sometimes confused debate in which Congress, the press, and the public generally participated. The opposition to the treaty and the League was led by Senator Lodge of Massachusetts, who took his stand on the necessity of including in any settlement certain specific reservations: (1) The United States could not accept the obligations placed upon the members of the League under Article X. (2) The United States should reserve specifically the right of withdrawal from the League. (3) The United States should reserve specifically the power to decide what questions came within its domestic jurisdiction, and therefore lay outside of the competence of the League. (4) The United States ought to decline to submit for inquiry and arbitration any questions affecting the Monroe Doctrine. These were the stated reasons for the rejection of Wilson's handiwork; beneath the surface, however, ran powerful and bitter currents of partisanship and personal animosities. There can be no doubt that such considerations were at the basis of Lodge's ill-natured attacks on Wilson.

The discussion ebbed and flowed, with both sides refusing to find means of accommodation. Finally in September, Wilson decided to take the issue directly to the people and started out on a speaking tour of the

Middle West and Far West; but he collapsed at Pueblo, Colorado, and suffered a paralytic stroke. He was never again a well man. Meanwhile in September, Lodge as chairman of the Senate Committee on Foreign Relations, had reported out the treaty with a large number of amendments to it and the four reservations enumerated above to the League Covenant. The Senate rejected the amendments; and then it proceeded to draw up fourteen reservations, once again under Lodge's leadership. Here Wilson erred again, for he ordered the administration supporters to insist upon all or nothing, the treaty without the Lodge reservations—or defeat. Defeat it was. On November 19, two votes were taken: one on the treaty with reservations, which was lost; and the second, on the treaty without the reservations, which was also lost. The special session was then terminated.

Once more Wilson tried and this was the last time. In March, 1920, after five weeks of debate, the Senate again voted. For the treaty with reservations the vote was 49; against the treaty, 35. Because the necessary two thirds was lacking, the resolution was defeated. The United States did not sign the treaty; was out of the League; and had washed its hands of all those special and general perplexities that were to trouble Europe in the following ten years. It is hard to assess culpability. Was it Wilson's fault? Was it Lodge's fault? Or was it the indifference of the American people who were failing to realize that America no longer could live alone?

In July, 1921, with President Harding now in the White House, a joint resolution was passed by both houses of Congress which declared simply that the war with Germany was over. And thus ended the New Freedom. And so also failed that crusade to make the world safe for democracy for which Woodrow Wilson had taken the United States into World War I.

THE AMERICAN MIND

THORSTEIN VEBLEN

THORSTEIN VEBLEN (1857–1929) was born into a Norwegian immigrant's household, reared on the Minnesota frontier, and educated at a denominational college whose creed he did not share. Philosophy was his first interest as a student; but, after receiving his doctorate in 1884, he left that field for the study of economics as he became convinced that the mass habits of thought and behavior, which constitute "cultures," are shaped by men's methods of earning a living.

It was the economist's province to explain the culture in which he functioned, Veblen argued, but academic economics had failed to do so because economists asked the wrong questions. They justified instead of inquiring. They sought the "what" rather than the "how come" of institutions; and they based their reasoning on an antiquated view of human nature. All this led them to accept as "given" the very institutions that required explanation.

The marginal utility economists, for example, completely ignored the institutional framework within which individual man had his being and made his choices. Thus, John Bates Clark, the American leader of the school, was obviously engaging in the impossible when he sought to explain the theoretical dynamics of a society from which he had carefully abstracted all the elements necessary to its dynamic character. Similarly, economists studying a money economy disregarded money itself and denied that it was the end of any entrepreneur's desire, though they had the facts of the market place to prove them in error.

If economists and their supporters in sociology proceeded on incorrect premises concerning the nature of current activities, there was no reason to regard them as more accurate concerning the pattern of social evolution in the past. Veblen undertook to sketch his own view of that evolution, starting with the assumption that man is endowed with instincts, the result of primitive "tropismatic drives," which use intelligence as a means of achieving their ends. In time, instincts give rise to institutions which are habits of thought and action widely current in a social group. Such institutions then proceed to shape the individual almost as effectively as the fundamental instincts which they express. For the economic process, "the parental bent," "the instinct of workmanship" and "idle curiosity" are the serviceable tendencies, while the "predatory drives" and a contaminating "metaphysics" hamper output and make for the pursuit of self-interest rather than concern for the welfare of the group.

Western European man, Veblen argues, has moved from the simplicities of a Neolithic savagery dominated by "the parental bent" and "the instinct of workmanship" through the predatory barbarian stage (which established "invidious distinctions" derived from the possession of private property based on fraud and violence), into the handicraft economy (where the "instinct for workmanship" expressed itself in the concepts of natural rights and natural law), and thence into the modern world. The modern world is the result of the technological and economic devices that made up the Industrial Revolution as influenced by the strong residue of barbarian culture in the upper or "leisure" class. Modern production is controlled by those who own, not those who make, and their aim is gain, not productivity. From this fact stems the essential conflict between the interest of

the community, which wants goods, and the businessman, who wants profit. Within the economic process, the conflict lies between technologist and financier, between "industrial and pecuniary employments."

In the *Theory of Business Enterprise* (1904), Veblen expounds the manner in which business has taken over the industrial process and transmuted the production of goods into the dealing in those symbols which are the evidences of corporate ownership. Property itself has become utterly attenuated, but the more intangible it becomes the more real is its control over every aspect of modern life. In the vein of the great comic writers, Veblen thus continued to probe and analyze; but because he used an involved vocabulary and made irony his main tool, few among his generation felt his stings. America was still so certain of itself and so confident of its destiny that Veblen's warning that even the cherished institutions of our middle-class culture were not permanent could be disregarded. But a later generation of Americans was to rediscover Veblen and read him closely.

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The Limitations of Marginal Utility

BY THORSTEIN VEBLEN

THE LIMITATIONS of the marginal-utility economics are sharp and characteristic. It is from first to last a doctrine of value, and in point of form and method it is a theory of valuation. The whole system, therefore, lies within the theoretical field of distribution, and it has but a secondary bearing on any other economic phenomena than those of distribution—the term being taken in its accepted sense of pecuniary distribution, or distribution in point of ownership. Now and again an attempt is made to extend the use of the principle of marginal utility beyond this range, so as to apply it to questions of production, but hitherto without sensible effect, and necessarily so. . . .

In all this the marginal-utility school is substantially at one with the classical economics of the nineteenth century, the difference between the two being that the former is confined within narrower limits and sticks more consistently to its teleological premises. Both are teleological, and neither can consistently admit arguments from cause to effect in the formulation of their main articles of theory. Neither can deal theoretically with phenomena of change, but at the most only with rational adjustment to change which may be supposed to have supervened.

To the modern scientist the phenomena of growth and change are the most obtrusive and most consequential facts observable in economic life. For an understanding of modern economic life the technological advance of the past two centuries—e.g., the growth of the industrial arts—is of the first importance; but marginal-utility theory does not bear on this matter, nor does this matter bear on marginal-utility theory. As a means of theoretically accounting for this technological movement in the past or in the present, or even as a means of formally, technically stating it as an element in the current economic situation, that doctrine and all its works are altogether idle. The like is true for the sequence of change that is going forward in the pecuniary relations of modern life; the hedonistic postulate and its propositions of differential utility neither have served nor can serve an inquiry into these phenomena of growth, although the whole body of marginal-utility economics lies within the range of these pecuniary phenomena. . . .

It is characteristic of the school that wherever an element of the cultural fabric, an institution or any institutional phenomenon, is involved in the facts with which the theory is occupied, such institutional facts are taken for granted, denied, or explained away. If it is a question of price, there is offered an explanation of how exchanges may take place with such effect as to leave money and price out of the account. If it is a question of credit, the effect of credit extension on business traffic is left on one side and there is an explanation of how the borrower and lender co-operate to smooth out their respective income streams of consumable goods or sensations of consumption. The failure of the school in this respect is consistent and comprehensive. . . .

The infirmity of this theoretical scheme lies in its postulates, which confine the inquiry to generalizations of the teleological or "deductive" order. These postulates, together with the point of view

and logical method that follow from them, the marginal-utility school shares with other economists of the classical line—for this school is but a branch or derivative of the English classical economists of the nineteenth century. The substantial difference between this school and the generality of classical economists lies mainly in the fact that in the marginal-utility economics the common postulates are more consistently adhered to at the same time that they are more neatly defined and their limitations are more adequately realized. Both the classical school in general and its specialized variant, the marginal-utility school, in particular, take as their common point of departure the traditional psychology of the early nineteenth-century hedonists, which is accepted as a matter of course or of common notoriety and is held quite uncritically. The central and well-defined tenet so held is that of the hedonistic calculus. Under the guidance of this tenet and of the other psychological conceptions associated and consonant with it, human conduct is conceived of and interpreted as a rational response to the exigencies of the situation in which mankind is placed; as regards economic conduct it is such a rational and unprejudiced response to the stimulus of anticipated pleasure and pain—being, typically and in the main, a response to the promptings of anticipated pleasure, for the hedonists of the nineteenth century and of the marginal-utility school are in the main of an optimistic temper.[1] Mankind is, on the whole and normally, (conceived to be) clear-sighted and far-sighted in its appreciation of future sensuous gains and losses, although there may be some (inconsiderable) difference between men in this respect. Men's activities differ, therefore, (inconsiderably) in respect of the alertness of the response and the nicety of adjustment of irksome pain-cost to apprehended future sensuous gain; but, on the whole, no other ground or line or guidance of conduct than this rationalistic calculus falls properly within the cognizance of the economic hedonists. Such a theory can take account of conduct only in so far as it is rational conduct, guided by deliberate and exhaustively intelligent choice—wise adaptation to the demands of the main chance.

The external circumstances which condition conduct are variable, of course, and so they will have a varying effect upon conduct; but their variation is, in effect, construed to be of such a character only as to vary the degree of strain to which the human agent is subject by contact with these external circumstances. The cultural elements involved in the theoretical scheme, elements that are of the nature of institutions, human relations governed by use and wont in whatever kind and connexion, are not subject to inquiry but are taken for granted as pre-existing in a finished, typical form and as making up a normal and definitive economic situation, under which and in terms of which human intercourse is necessarily carried on. This cultural situation comprises a few large and simple articles of institutional furniture, together with their logical implications or corollaries; but it includes nothing of the consequences or effects caused by these institutional elements. The cultural elements so tacitly postulated as immutable conditions precedent to economic life are ownership and free contract, together with such other features of the scheme of natural rights as are implied in the exercise of these. These cultural products are, for the purpose of the theory, conceived to be given *a priori* in unmitigated force. They are part of the nature of things. . . .

Now, it happens that the relation of sufficient reason enters very substantially into human conduct. It is this element of discriminating forethought that distinguishes human conduct from brute behaviour. And since the economist's subject of inquiry is this human conduct, that relation necessarily comes in for a large share of his attention in any theoretical formulation of economic phenomena, whether hedonistic or otherwise. But while modern science at large has made the causal relation the sole ultimate ground of theoretical formulation; and while the other sciences that deal with human life admit the relation of sufficient reason as a proximate, supplementary, or intermediate ground, subsidiary, and subservient to the argument from cause to effect; economics has had the misfortune—as seen from the scientific point of view—to let the former supplant the latter. . . . It deals with this conduct only in so far as it may be construed in rationalistic, teleological terms of calculation and choice. But it is at the same time no less true that human conduct, economic or otherwise, is subject to the sequence of cause and effect, by force of such elements as habituation

[1] The conduct of mankind differs from that of the brutes in being determined by anticipated sensations of pleasure and pain, instead of actual sensations. Hereby, in so far, human conduct is taken out of the sequence of cause and effect and falls instead under the rule of sufficient reason. By virtue of this rational faculty in man the connexion between stimulus and response is teleological instead of causal.

The reason for assigning the first and decisive place to pleasure, rather than to pain, in the determination of human conduct, appears to be the (tacit) acceptance of that optimistic doctrine of a beneficent order of nature which the nineteenth century inherited from the eighteenth.

and conventional requirements. But facts of this order, which are to modern science of graver interest than the teleological details of conduct, necessarily fall outside the attention of the hedonistic economist, because they cannot be construed in terms of sufficient reason, such as his postulates demand, or be fitted into a scheme of teleological doctrines. . . .

In so far as modern science inquires into the phenomena of life, whether inanimate, brute, or human, it is occupied about questions of genesis and cumulative change, and it converges upon a theoretical formulation in the shape of a life-history drawn in causal terms. In so far as it is a science in the current sense of the term, any science, such as economics, which has to do with human conduct, becomes a genetic inquiry into the human scheme of life; and where, as in economics, the subject of inquiry is the conduct of man in his dealings with the material means of life, the science is necessarily an inquiry into the life-history of material civilization, on a more or less extended or restricted plan. Not that the economist's inquiry isolates material civilization from all other phases and bearings of human culture, and so studies the motions of an abstractly conceived "economic man." On the contrary, no theoretical inquiry into this material civilization that shall be at all adequate to any scientific purpose can be carried out without taking this material civilization in its causal, that is to say, its genetic, relations to other phases and bearings of the cultural complex; without studying it as it is wrought upon by other lines of cultural growth and as working its effects in these other lines. But in so far as the inquiry is economic science, specifically, the attention will converge upon the scheme of material life and will take in other phases of civilization only in their correlation with the scheme of material civilization.

Like all human culture, this material civilization is a scheme of institutions—institutional fabric and institutional growth. But institutions are an outgrowth of habit. The growth of culture is a cumulative sequence of habituation, and the ways and means of it are the habitual response of human nature to exigencies that vary incontinently, cumulatively, but with something of a consistent sequence in the cumulative variations that so go forward—incontinently, because each new move creates a new situation which induces a further new variation in the habitual manner of response; cumulatively, because each new situation is a variation of what has gone before it and embodies as causal factors all that has been effected by what went before; consistently, because the underlying traits of human nature (propensities, aptitudes, and what not) by force of which the response takes place, and on the ground of which the habituation takes effect, remain substantially unchanged.

Evidently an economic inquiry which occupies itself exclusively with the movements of this consistent, elemental human nature under given, stable institutional conditions—such as is the case with the current hedonistic economics—can reach statical results alone; since it makes abstraction from those elements that make for anything but a statical result. On the other hand an adequate theory of economic conduct, even for statical purposes, cannot be drawn in terms of the individual simply—as is the case in the marginal-utility economics—because it cannot be drawn in terms of the underlying traits of human nature simply; since the response that goes to make up human conduct takes place under institutional norms and only under stimuli that have an institutional bearing; for the situation that provokes and inhibits action in any given case is itself in great part of institutional, cultural derivation. Then, too, the phenomena of human life occur only as phenomena of the life of a group or community: only under stimuli due to contact with the group and only under the (habitual) control exercised by canons of conduct imposed by the group's scheme of life. Not only is the individual's conduct hedged about and directed by his habitual relations to his fellows in the group, but these relations, being of an institutional character, vary as the institutional scheme varies. The wants and desires, the end and aim, the ways and means, the amplitude and drift of the individual's conduct are functions of an institutional variable that is of a highly complex and wholly unstable character.

The growth and mutations of the institutional fabric are an outcome of the conduct of the individual members of the group, since it is out of the experience of the individuals, through the habituation of individuals, that institutions arise; and it is in this same experience that these institutions act to direct and define the aims and end of conduct. It is, of course, on individuals that the system of institutions imposes those conventional standards, ideals, and canons of conduct that make up the community's scheme of life. Scientific inquiry in this field, therefore, must deal with individual conduct and must formulate its theoretical results in terms of individual conduct. But such an inquiry can serve the purposes of a genetic theory only if and in so far as this individual conduct is attended to in those respects in which it counts toward habituation, and so toward change (or

stability) of the institutional fabric, on the one hand, and in those respects in which it is prompted and guided by the received institutional conceptions and ideals on the other hand. The postulates of marginal-utility, and the hedonistic preconceptions generally, fail at this point in that they confine the attention to such bearings of economic conduct as are conceived not to be conditioned by habitual standards and ideals and to have no effect in the way of habituation. They disregard or abstract from the causal sequence of propensity and habituation in economic life and exclude from theoretical inquiry all such interest in the facts of cultural growth, in order to attend to those features of the case that are conceived to be idle in this respect. All such facts of institutional force and growth are put on one side as not being germane to pure theory; they are to be taken account of, if at all, by afterthought, by a more or less vague and general allowance for inconsequential disturbances due to occasional human infirmity. Certain institutional phenomena, it is true, are comprised among the premises of the hedonists, as has been noted above; but they are included as postulates *a priori*. So the institution of ownership is taken into the inquiry not as a factor of growth or an element subject to change, but as one of the primordial and immutable facts of the order of nature, underlying the hedonistic calculus. Property, ownership, is presumed as the basis of hedonistic discrimination and it is conceived to be given in its finished (nineteenth-century) scope and force. There is no thought either of a conceivable growth of this definitive nineteenth-century institution out of a cruder past or of any conceivable cumulative change in the scope and force of ownership in the present or future. Nor is it conceived that the presence of this institutional element in men's economic relations in any degree affects or disguises the hedonistic calculus, or that its pecuniary conceptions and standards in any degree standardize, colour, mitigate, or divert the hedonistic calculator from the direct and unhampered quest of the net sensuous gain. . . .

The modern economic situation is a business situation, in that economic activity of all kinds is commonly controlled by business considerations. The exigencies of modern life are commonly pecuniary exigencies. That is to say, they are exigencies of the ownership of property. Productive efficiency and distributive gain are both rated in terms of price. Business considerations are considerations of price, and pecuniary exigencies of whatever kind in the modern communities are exigencies of price. The current economic situation is a price system. Economic institutions in the modern civilized scheme of life are (prevailingly) institutions of the price system. The accountancy to which all phenomena of modern economic life are amenable is an accountancy in terms of price; and by the current convention there is no other recognized scheme of accountancy, no other rating, either in law or in fact, to which the facts of modern life are held amenable. Indeed, so great and pervading a force has this habit (institution) of pecuniary accountancy become that it extends, often as a matter of course, to many facts which properly have no pecuniary bearing and no pecuniary magnitude, as, e.g., works of art, science, scholarship, and religion. More or less freely and fully, the price system dominates the current common-sense in its appreciation and rating of these non-pecuniary ramifications of modern culture; and this in spite of the fact that, on reflection, all men of normal intelligence will freely admit that these matters lie outside the scope of pecuniary valuation.

Current popular taste and the popular sense of merit and demerit are notoriously affected in some degree by pecuniary considerations. It is a matter of common notoriety, not to be denied or explained away, that pecuniary ("commercial") tests and standards are habitually made use of outside of commercial interests proper. Precious stones, it is admitted, even by hedonistic economists, are more esteemed than they would be if they were more plentiful and cheaper. A wealthy person meets with more consideration and enjoys a larger measure of good repute than would fall to the share of the same person with the same habit of mind and body and the same record of good and evil deeds if he were poorer. It may well be that this current "commercialization" of taste and appreciation has been overstated by superficial and hasty critics of contemporary life, but it will not be denied that there is a modicum of truth in the allegation. Whatever substance it has, much or little, is due to carrying over into other fields of interest the habitual conceptions induced by dealing with and thinking of pecuniary matters. These "commercial" conceptions of merit and demerit are derived from business experience. The pecuniary tests and standards so applied outside of business transactions and relations are not reducible to sensuous terms of pleasure and pain. . . .

It is the institution of property that gives rise to these habitual grounds of discrimination, and in modern times, when wealth is counted in terms of money, it is in terms of money value that these tests and standards of pecuniary excellence are applied. This much will be admitted. Pecuniary institutions induce pecuniary habits of thought

which affect men's discrimination outside of pecuniary matters; but the hedonistic interpretation alleges that such pecuniary habits of thought do not affect men's discrimination in pecuniary matters. Although the institutional scheme of the price system visibly dominates the modern community's thinking in matters that lie outside the economic interest, the hedonistic economists insist, in effect, that this institutional scheme must be accounted of no effect within that range of activity to which it owes its genesis, growth, and persistence. The phenomena of business, which are peculiarly and uniformly phenomena of price, are in the scheme of the hedonistic theory reduced to non-pecuniary hedonistic terms and the theoretical formulation is carried out as if pecuniary conceptions had no force within the traffic in which such conceptions originate. It is admitted that preoccupation with commercial interests has "commercialized" the rest of modern life, but the "commercialization" of commerce is not admitted. Business transactions and computations in pecuniary terms, such as loans, discounts, and capitalization, are without hesitation or abatement converted into terms of hedonistic utility, and conversely. . . .

The point may perhaps be made clearer. Money and the habitual resort to its use are conceived to be simply the ways and means by which consumable goods are acquired, and therefore simply a convenient method by which to procure the pleasurable sensations of consumption; these latter being in hedonistic theory the sole and overt end of all economic endeavour. Money values have therefore no other significance than that of purchasing power over consumable goods, and money is simply an expedient of computation. Investment, credit extensions, loans of all kinds and degrees, with payment of interest and the rest, are likewise taken simply as intermediate steps between the pleasurable sensations of consumption and the efforts induced by the anticipation of these sensations, other bearings of the case being disregarded. The balance being kept in terms of the hedonistic consumption, no disturbance arises in this pecuniary traffic so long as the extreme terms of this extended hedonistic equation—pain-cost and pleasure-gain—are not altered, what lies between these extreme terms by being merely algebraic notation employed for convenience of accountancy. But such is not the run of the facts in modern business. Variations of capitalization, e.g., occur without its being practicable to refer them to visibly equivalent variations either in the state of the industrial arts or in the sensations of consumption. Credit extensions tend to inflation of credit, rising prices, over-stocking of markets, etc., likewise without a visible or securely traceable correlation in the state of the industrial arts or in the pleasures of consumption; that is to say, without a visible basis in those material elements to which the hedonistic theory reduces all economic phenomena. Hence the run of the facts, in so far, must be thrown out of the theoretical formulation. The hedonistically presumed final purchase of consumable goods is habitually not contemplated in the pursuit of business enterprise. Business men habitually aspire to accumulate wealth in excess of the limits of practicable consumption, and the wealth so accumulated is not intended to be converted by a final transaction of purchase into consumable goods or sensations of consumption. Such commonplace facts as these, together with the endless web of business detail of a like pecuniary character, do not in hedonistic theory raise a question as to how these conventional aims, ideals, aspirations, and standards have come into force or how they affect the scheme of life in business or outside of it; they do not raise those questions because such questions cannot be answered in the terms which the hedonistic economists are content to use, or, indeed, which their premises permit them to use. The question which arises is how to explain the facts away: how theoretically to neutralize them so that they will not have to appear in the theory, which can then be drawn in direct and unambiguous terms of rational hedonistic calculation. They are explained away as being aberrations due to oversight or lapse of memory on the part of business men, or to some failure of logic or insight. Or they are construed and interpreted into the rationalistic terms of the hedonistic calculus by resort to an ambiguous use of the hedonistic concepts. So that the whole "money economy," with all the machinery of credit and the rest, disappears in a tissue of metaphors to reappear theoretically expurgated, sterilized, and simplified into a "refined system of barter," culminating in a net aggregate maximum of pleasurable sensations of consumption.

But since it is in just this unhedonistic, unrationalistic pecuniary traffic that the tissue of business life consists; since it is this peculiar conventionalism of aims and standards that differentiates the life of the modern business community from any conceivable earlier or cruder phase of economic life; since it is in this tissue of pecuniary intercourse and pecuniary concepts, ideals, expedients, and aspirations that the conjunctures of business life arise and run their course of felicity and devastation; since it is here that those institutional changes take place which distinguish one

phase or era of the business community's life from any other; since the growth and change of these habitual, conventional elements make the growth and character of any business era or business community; any theory of business which sets these elements aside or explains them away misses the main facts which it has gone out to seek. Life and its conjunctures and institutions being of this complexion, however much that state of the case may be deprecated, a theoretical account of the phenomena of this life must be drawn in these terms in which the phenomena occur. It is not simply that the hedonistic interpretation of modern economic phenomena is inadequate or misleading; if the phenomena are subjected to the hedonistic interpretation in the theoretical analysis they disappear from the theory; and if they would bear the interpretation in fact they would disappear in fact. If, in fact, all the conventional relations and principles of pecuniary intercourse were subject to such a perpetual rationalized, calculating revision, so that each article of usage, appreciation, or procedure must approve itself *de novo* on hedonistic grounds of sensuous expediency to all concerned at every move, it is not conceivable that the institutional fabric would last over night.

JOHN DEWEY

THE GREAT FIGURES in modern American philosophy are Charles Saunders Peirce, William James, and John Dewey. Hence the peculiar interest of Dewey's exposition of James to a French audience, in an article on the development of American pragmatism first published in the *Revue de la Metaphysique et de Morale* of October, 1922. The essay itself not only explains James but also illustrates several of Dewey's characteristics. To define pragmatism, he tells of its genesis; to describe it, he sketches its newer aspects in the instrumentalism he himself had developed; to defend it, Dewey denies that pragmatism is a glorification of mere energy and therefore reflects only America's concern with moneymaking. The future as well as the past can give meaning to life, Dewey notes; and if the exercise of the intellect is a genuine human delight, it should be accessible to more than its present handful of votaries. And this is Dewey's particular contribution: philosophy is not a mode of observation nor a mere "universe of discourse"; it is a guide to action. For intelligence is a means of dealing with reality and philosophy is intelligence rounded to completion.

Much in John Dewey's background helps explain this concept. He was born in Vermont in 1859 and grew up in an environment that held few intellectual challenges. Evolution and the Positivists wakened Dewey's interest in the interaction between social conditions and the formulation of scientific and philosophic concepts, and the influence of William James altered the direction of Dewey's psychological approach to philosophy. Experience at the University of Michigan and in the experimental school at Chicago drew Dewey to greater concern with the learning process. Education should improve the mutual adjustment of organism and environment, but the teaching methods practiced at the turn of the century violated the laws of normal growth.

In an effort to harmonize psychology and educational methods, Dewey began work at the "Laboratory School" in 1894 and it was a dispute over the administration of the school which finally separated him from the University of Chicago. That did not occur before his lectures to raise money for the school had produced Dewey's most influential book, *The School and Society*.

In 1905, Dewey came to Columbia. New York gave a new turn to his thinking, by pointing up the conflict between democracy and monopoly. If intelligence was made up of more than invisible spectacles distorting the vision of actuality, it must contribute to fruitful action. Hence, Dewey's later work struck at the conventional approach to philosophy that set knowledge above action and formulation above practice. Dewey, on the contrary, insisted that man's beliefs about his world must be integrated with his beliefs about right conduct; ethical systems which were not rooted in the facts of science were irrelevant.

Foremost among the beliefs requiring adjustment were those derived from isolating the cognitive experience and exalting it above the other experiences of man. That isolation stemmed from a prescientific social structure and a psychology which had formulated the absurdity of a discrete "individual" who was the passive recipient of a ready-made experience instead of himself a determining element in that experience. Exalting thought above other modes of experience had made philosophy a variety of self-indulgence instead of a guide to life. As Dewey sees it, the object of pragmatism is to restore intelligence to its proper function, lighting the road to action.

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The Development of American Pragmatism

BY JOHN DEWEY

. . . THE ESSAY in which Peirce developed his theory bears the title: *How to make our Ideas Clear*. There is a remarkable similarity here to Kant's doctrine in the efforts which he made to interpret the universality of concepts in the domain of experience in the same way in which Kant established the law of practical reason in the domain of the *a priori*. "The rational meaning of every proposition lies in the future. . . . But of the myriads of forms into which a proposition may be translated, what is that one which is to be called its very meaning? It is, according to the pragmatist, that form in which the proposition becomes applicable to human conduct, not in these or those special circumstances, nor when one entertains this or that special design, but that form which is most directly applicable to self-control under every situation, and to every purpose." So also, "the pragmatist does not make the *summum bonum* to consist in action, but makes it to consist in that process of evolution whereby the existent comes more and more to embody generals . . ."—in other words—the process whereby the existent becomes, with the aid of action, a body of rational tendencies or of habits generalized as much as possible. These statements of Peirce are quite conclusive with respect to two errors which are commonly committed in regard to the ideas of the founder of pragmatism. It is often said of pragmatism that it makes action the end of life. It is also said of pragmatism that it subordinates thought and rational activity to particular ends of interest and profit. It is true that the theory according to Peirce's conception implies essentially a certain relation to action, to human conduct. But the rôle of action is that of an intermediary. In order to be able to attribute a meaning to concepts, one must be able to apply them to existence. Now it is by means of action that this application is made possible. And the modification of existence which results from this application consitutes the true meaning of concepts.

Pragmatism is, therefore, far from being that glorification of action for its own sake which is regarded as the peculiar characteristic of American life. . . . This theory was American in its origin in so far as it insisted on the necessity of human conduct and the fulfillment of some aim in order to clarify thought. But at the same time, it disapproves of those aspects of American life which make action an end in itself, and which conceive ends too narrowly and too practically. In considering a system of philosophy in its relation to national factors it is necessary to keep in mind not only the aspects of life which are incorporated in the system, but also the aspects against which the system is a protest. There never was a philosopher who has merited the name for the simple reason that he glorified the tendencies and characteristics of his social environment; just as it is also true that there never has been a philosopher who has not seized upon certain aspects of the life of his time and idealized them.

The work commenced by Peirce was continued by William James. In one sense James narrowed the application of Peirce's pragmatic method, but at the same time he extended it. The articles which Peirce wrote in 1878 commanded almost no attention from philosophical circles, which were then under the dominating influence of the neokantian idealism of Green, of Caird, and of the Oxford School, excepting those circles in which the Scottish philosophy of common sense maintained its supremacy. In 1898 James inaugurated the new pragmatic movement in an address entitled, "*Philosophical Conceptions and Practical*

Results," later reprinted in the volume, "*Collected Essays and Reviews.*" Even in this early study one can easily notice the presence of those two tendencies to restrict and at the same time to extend early pragmatism. . . .

William James alluded to the development which he gave to Peirce's expression of the principle. In one sense one can say that he enlarged the bearing of the principle by the substitution of particular consequences for the general rule or method applicable to future experience. But in another sense this substitution limited the application of the principle since it destroyed the importance attached by Peirce to the greatest possible application of the rule, or the habit of conduct—its extension to universality. That is to say, William James was much more of a nominalist than Peirce.

One can notice an extension of pragmatism in the above passage. James there alludes to the use of a method of determining the meaning of truth. Since truth is a term and has consequently a meaning, this extension is a legitimate application of pragmatic method. But it should be remarked that here this method serves only to make clear the meaning of the term, and has nothing to do with the truth of a particular judgment. The principal reason which led James to give a new color to pragmatic method was that he was preoccupied with applying the method to determine the meaning of philosophical problems and questions and that moreover, he chose to submit to examination philosophical notions of a theological or religious nature. He wished to establish a criterion which would enable one to determine whether a given philosophical question has an authentic and vital meaning or whether, on the contrary, it was trivial and purely verbal; and in the former case, what interests were at stake, when one accepts and affirms one or the other of two theses in dispute. Peirce was above all a logician; whereas James was an educator and wished to force the general public to realize that certain problems, certain philosophical debates have a real importance for mankind, because the beliefs which they bring into play lead to very different modes of conduct. If this important distinction is not grasped, it is impossible to understand the majority of the ambiguities and errors which belong to the later period in the pragmatic movement. . . .

William James accomplished a new advance in Pragmatism by his theory of the will to believe, or as he himself later called it, the right to believe. The discovery of the fundamental consequences of one or another belief has without fail a certain influence on that belief itself. If a man cherished novelty, risk, opportunity and a variegated esthetic reality, he will certainly reject any belief in Monism, when he clearly perceives the import of this system. But if, from the very start, he is attracted by esthetic harmony, classic proportions, fixity even to the extent of absolute security and logical coherence, it is quite natural that he should put faith in Monism. Thus William James took into account those motives of instinctive sympathy which play a greater rôle in our choice of a philosophic system than formal reasonings; and he thought that we would be rendering a service to the cause of philosophical sincerity if we would openly recognize the motives which inspire us. He also maintained the thesis that the greater part of philosophic problems and especially those which touch on religious fields are of such a nature that they are not susceptible of decisive evidence one way or the other. Consequently he claimed the right of a man to choose his beliefs not only in the presence of proofs or conclusive facts, but also in the absence of all evidence of this nature, and above all when he is forced to choose between one meaning or another, or when by refusing to choose, his refusal is itself equivalent to a choice. The theory of the will to believe gives rise to misunderstandings and even to ridicule; and therefore it is necessary to understand clearly in what way James used it. We are always obliged to act in any case; our actions and with them their consequences actually change according to the beliefs which we have chosen. Moreover it may be that, in order to discover the proofs which will ultimately be the intellectual justification of certain beliefs—the belief in freedom, for example, or the belief in God —it is necesary to begin to act in accordance with this belief.

In his lectures on Pragmatism, and in his volume of essays bearing the title "*The Meaning of Truth*," which appeared in 1909, James extended the use of the pragmatic method to the problem of the nature of truth. So far we have considered the pragmatic method as an instrument in determining the meaning of words and the vital importance of philosophic beliefs. Now and then we have made allusion to the future consequences which are implied. James showed, among other things, that in certain philosophic conceptions, the affirmation of certain beliefs could be justified by means of the nature of their consequences, or by the differences which these beliefs make in existence. But then why not push the argument to the point of maintaining that the meaning of truth in general is determined by its consequences? We must not forget here that James was an empiricist before he was a pragmatist, and repeatedly stated

that pragmatism is merely empiricism pushed to its legitimate conclusions. From a general point of view, the pragmatic attitude consists in "looking away from first things, principles, 'categories,' supposed necessities; and of looking towards last things, fruits, consequences, facts." It is only one step further to apply the pragmatic method to the problem of truth. . . . What direction therefore, must an empirical philosopher take who wishes to arrive at a definition of truth by means of an empirical method? He must, if he wants to apply this method, and without bringing in for the present the pragmatic formula, first find particular cases from which he then generalizes. It is therefore in submitting conceptions to the control of experience, in the process of verifying them, that one finds examples of what is called truth. Therefore the philosopher who applies this empirical method, without the least prejudice in favor of pragmatic doctrine, can be brought to conclude that truth "means" verification, or if one prefers, that verification either actual or possible, is the definition of truth. . . .

Pragmatism, thus, presents itself as an extension of historical empiricism with this fundamental difference, that it does not insist upon antecedent phenomena but upon consequent phenomena; not upon the precedents but upon the possibilities of action, and this change in point of view is almost revolutionary in its consequences. An empiricism which is content with repeating facts already past has no place for possibility and for liberty. It cannot find room for general conceptions or ideas, at least no more than to consider them as summaries or records. But when we take the point of view of pragmatism we see that general ideas have a very different rôle to play than that of reporting and registering past experiences. They are the bases for organizing future observations and experiences. Whereas, for empiricism, in a world already constructed and determined, reason or general thought has no other meaning than that of summing up particular cases, in a world where the future is not a mere word, where theories, general notions, rational ideas have consequences for action, reason necessarily has a constructive function. Nevertheless the conceptions of reasoning have only a secondary interest in comparison with the reality of facts, since they must be confronted with concrete observations.[1]

Pragmatism thus has a metaphysical implication. The doctrine of the value of consequences leads us to take the future into consideration. And this taking into consideration of the future takes us to the conception of a universe whose evolution is not finished, of a universe which is still, in James' term, "in the making," "in the process of becoming," of a universe up to a certain point still plastic.

Consequently reason, or thought, in its more general sense, has a real, though limited function, a creative, constructive function. If we form general ideas and if we put them in action, consequences are produced which could not be produced otherwise. Under these conditions the world will be different from what it would have been if thought had not intervened. This consideration confirms the human and moral importance of thought and of its reflective operation in experience. It is therefore not true to say that James treated reason, thought and knowledge with contempt, or that he regarded them as mere means of gaining personal or even social profits. For him reason has a creative function, limited because specific, which helps to make the world other than it would have been without it. It makes the world really more reasonable; it gives to it an intrinsic value. One will understand the philosophy of James better if one considers it in its totality as a revision of English empiricism, a revision which replaces the value of past experience, of what is already given, by the future, by that which is mere possibility.

These considerations naturally bring us to the movement called instrumentalism. The survey which we have just made of James' philosophy shows that he regarded conceptions and theories purely as instruments which can serve to constitute future facts in a specific manner. But James devoted himself primarily to the moral aspects of this theory, to the support which it gave to "meliorism" and moral idealism, and to the consequences which followed from it concerning the sentimental value and the bearing of various philosophical systems, particularly to its destructive implications for monistic rationalism and for absolutism in all its forms. He never attempted to develop a complete theory of the forms or "structures" and of the logical operations which are founded on this conception. Instrumentalism is an attempt to constitute a precise logical theory of concepts, of judgments and inferences in their

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[1] William James said in a happy metaphor, that they must be "cashed in," by producing specific consequences. This expression means that they must be able to become concrete facts. But for those who are not familiar with American idioms, James' formula was taken to mean that the consequences themselves of our rational conceptions must be narrowly limited by their pecuniary value. Thus Mr. Bertrand Russell wrote just recently that pragmatism is merely a manifestation of American commercialism.

various forms, by considering primarily how thought functions in the experimental determinations of future consequences. That is to say, that it attempts to establish universally recognized distinctions and rules of logic by deriving them from the reconstructive or mediative function ascribed to reason. It aims to constitute a theory of the general forms of conception and reasoning, and not of this or that particular judgment or concept related to its own content, or to its particular implications. . . .

The psychological tendencies which have exerted an influence on instrumentalism are of a biological rather than a physiological nature. They are closely related to the important movement whose promoter in psychology has been Doctor John Watson and to which he has given the name of Behaviourism. Briefly, the point of departure of this theory is the conception of the brain as an organ for the co-ordination of sense stimuli (to which one should add modifications caused by habit, unconscious memory, or what are called today "conditioned reflexes") for the purpose of effecting appropriate motor responses. On the basis of the theory of organic evolution it is maintained that the analysis of intelligence and of its operations should be compatible with the order of known biological facts, concerning the intermediate position occupied by the central nervous system in making possible responses to the environment adequate to the needs of the living organism. It is particularly interesting to note that in the "Studies in Logical Theory" (1903), which was their first declaration, the instrumentalists recognized how much they owed to William James for having forged the instruments which they used, while at the same time, in the course of the studies, the authors constantly declared their belief in a close union of the "normative" principles of logic and the real processes of thought, in so far as these are determined by an objective or biological psychology and not by an introspective psychology of states of consciousness. But it is curious to note that the "instruments" to which allusion is made, are not the considerations which were of the greatest service to James. They precede his pragmatism and it is in one of the aspects of his "Principles of Psychology" that one must look for them. This important work (1890) really developed two distinct theses.

The one is a re-interpretation of introspective psychology, in which James denies that sensations, images and ideas are discrete and in which he replaces them by a continuous stream which he calls "the stream of consciousness." This conception necessitates a consideration of relations as an immediate part of the field of consciousness, having the same status as qualities. . . .

The other aspect of his "Principles of Psychology" is of a biological nature. It shows itself in its full force in the criterion which James established for discovering the existence of mind. "The pursuance of future ends and the choice of means for their attainment are thus the mark and criterion of the presence of mentality in a phenomenon." The force of this criterion is plainly shown in the chapter on Attention, and its relation to Interest considered as the force which controls it, and its teleological function of selection and integration; in the chapter on Discrimination and Comparison (Analysis and Abstraction), where he discusses the way in which ends to be attained and the means for attaining them evoke and control intellectual analysis; and in the chapter on Conception, where he shows that a general idea is a mode of signifying particular things and not merely an abstraction from particular cases or a super-empirical function,—that it is a teleological instrument. James then develops this idea in the chapter on reasoning where he says that "the only meaning of essence is teleological, and that classification and conception are purely teleological weapons of mind." . . .

Given the point of view which we have just specified, and the interest attaching to a logical theory of conception and judgment, there results a theory of the following description. The adaptations made by inferior organisms, for example their effective and co-ordinated responses to stimuli, become teleological in man and therefore give occasion to thought. Reflection is an indirect response to the environment, and the element of indirection can itself become great and very complicated. But it has its origin in biological adaptive behaviour and its ultimate function in its cognitive aspect is a prospective control of the conditions of its environment. The function of intelligence is therefore not that of copying the objects of the environment, but rather of taking account of the way in which more effective and more profitable relations with these objects may be established in the future. . . .

Such a summary survey can hardly pretend to be either convincing or suggestive. However, in noting the points of resemblance and difference between this phase of pragmatism and the logic of neo-hegelian idealism, we are bringing out a point of great importance. According to the latter logic, thought constitutes in the last analysis its own object and even the universe. It is possible to affirm the existence of a series of forms of judgment, because our first judgments, which are nearest to

sense, succeed in constituting objects in only a partial and fragmentary fashion, even to the extent of involving in their nature an element of contradiction. There results a dialectic which permits each inferior and partial type of judgment to pass into a more complete form until we finally arrive at the total judgment where the thought which comprehends the entire object or the universe as an organic whole of interrelated mental distinctions. It is evident that this theory magnifies the rôle of thought beyond all proportion. It is an objective and rational idealism which is opposed to and distinct from the subjective and perceptual idealism of Berkeley's school. Instrumentalism, however, assigns a positive function to thought, that of reconstituting the present stage of things instead of merely knowing them. As a consequence, there cannot be intrinsic degrees, or a hierarchy of forms of judgment. Each type has its own end, and its validity is entirely determined by its efficacy in the pursuit of its end. A limited perceptual judgment, adapted to the situation which has given it birth, is as true as is the most complete and significant philosophic or scientific judgment in its place. Logic, therefore, leads to a realistic metaphysics in so far as it accepts facts and events for what they are independently of thought, and to an idealistic metaphysics in so far as it contends that thought gives birth to distinctive acts which modify future facts and events in such a way as to render them more reasonable, that is to say, more adequate to the ends which we propose for ourselves. The ideal element is more accentuated by the inclusion progressively of social factors in human environment over and above natural factors; so that the needs which are fulfilled, the ends which are attained are no longer of a merely biological or particular character, but include also the ends and activities of other members of society.

It is natural that continental thinkers should be interested in American philosophy as it reflects, in a certain sense, American life. Thus it is clear after this rapid survey of the history of pragmatism that American thought merely continues European thought. We have imported our language, our laws, our institutions, our morals, and our religion from Europe, and we have adapted them to the new conditions of our life. The same is true of our ideas. For long years our philosophical thought was merely an echo of European thought. The pragmatic movement which we have traced in the present essay as well as neo-realism, behaviourism, the absolute idealism of Royce, the naturalistic idealism of Santayana, are all attempts at readaptation; but they are not creations *de novo*. They have their roots in British and European thought. Since these systems are re-adaptations they take into consideration the distinctive traits of the environment of American life. But as has already been said, they are not limited to reproducing what is worn and imperfect in this environment. They do not aim to glorify the energy and the love of action which the new conditions of American life exaggerated. They do not reflect the excessive mercantilism of American life. Without doubt all these traits of the environment have not been without a certain influence on American philosophical thought; our philosophy would not be national or spontaneous if it were not subject to this influence. But the fundamental idea which the movements of which we have just spoken, have attempted to express, is the ideal that action and opportunity justify themselves only to the degree in which they render life more reasonable and increase its value. Instrumentalism maintains in opposition to many contrary tendencies in the American environment, that action should be intelligent and reflective, and that thought should occupy a central position in life. That is the reason for our insistence on the teleological phase of thought and knowledge. If it must be teleological in particular and not merely true in the abstract, that is probably due to the practical element which is found in all the phases of American life. However that may be, what we insist upon above all else is that intelligence be regarded as the only source and sole guarantee of a desirable and happy future. It is beyond doubt that the progressive and unstable character of American life and civilization has facilitated the birth of a philosophy which regards the world as being in continuous formation, where there is still place for indeterminism, for the new and for a real future. But this idea is not exclusively American, although the conditions of American life have aided this idea in becoming self-conscious. It is also true that Americans tend to underestimate the value of tradition and of rationality considered as an achievement of the past. But the world has also given proof of irrationality in the past and this irrationality is incorporated in our beliefs and our institutions. There are bad traditions as there are good ones: it is always important to distinguish. Our neglect of the traditions of the past, with whatever this negligence implies in the way of spiritual impoverishment of our life, has its compensation in the idea that the world is re-commencing and being re-made under our eyes. The future as well as the past can be a source of interest and consolation and give meaning to the present. Pragmatism and instrumental experimentalism bring into promi-

nence the importance of the individual. It is he who is the carrier of creative thought, the author of action, and of its application. Subjectivism is an old story in philosophy; a story which began in Europe and not in America. But American philosophy, in the systems which we have expounded, has given to the subject, to the individual mind, a practical rather than an epistemological function. The individual mind is important because only the individual mind is the organ of modifications in traditions and institutions, the vehicle of experimental creation. One-sided and egoistic individualism in American life has left its imprint in our thought. For better or for worse, depending on the point of view, it has transformed the esthetic and fixed individualism of the old European culture into an active individualism. But the idea of a society of individuals is not foreign to American thought; it penetrates even our current individualism which is unreflective and brutal. And the individual which American thought idealises is not an individual *per se*, an individual fixed in isolation and set up for himself, but an individual who evolves and develops in a natural and human environment, an individual who can be educated. . . .

THE AMERICAN SCENE

THE MUCKRAKERS

THE TECHNIQUE of investigation and exposure, which had its first great popularity in the work of Henry Demarest Lloyd, became almost a commonplace of journalism in the years before the first World War. These factual presentations (although many were luridly told) of some of the more unpleasant features of the American scene were read widely with the result that the age was not only that of the muckraker but also of the successful reformer.

Of the newspapermen who set about putting the portrait of their time into print, few were abler than Lincoln Steffens (1866–1936), who came to New York after his California education had been supplemented by a period in Europe. Steffens became a notable reporter as well as a fortunate operator in the stock-market, and then turned from the dailies to the more unhampered field of the popular magazine. In 1903, *McClure's* began printing his series of articles on the political life of the American city. General opinion had settled into the conviction that corruption in politics was limited to the larger cities flooded by immigrants; the political life in a city with a population of sound native inhabitants was bound to be pure.

Steffens tested that opinion by observed fact and proved it false. Despite their complex populations, the larger cities were making the most strenuous efforts to escape boss rule. On the other hand, home-owning Philadelphia was the most disheartening spectacle in the nation, for Philadelphia was aware of corruption and acquiesced in it. More disturbing still, Steffens found that dishonesty in politics was only the reflection of dishonesty in business; and this was the force which was threatening the foundations of American morals. The foundations were strong enough to withstand these attacks, said Steffens; the people simply needed education—and then they would find leaders who would reestablish good government in America. In very considerable measure his optimism was justified.

The selection here reprinted is from *The Shame of the Cities* (New York, 1904).

The Shame of the Cities

BY LINCOLN STEFFENS

INTRODUCTION; AND SOME CONCLUSIONS

THIS IS NOT a book. It is a collection of articles reprinted from *McClure's Magazine*. Done as journalism, they are journalism still, and no further pretensions are set up for them in their new dress. . . . They were written with a purpose, they were published serially with a purpose, and they are reprinted now together to further that same purpose, which was and is—to sound for the civic pride of an apparently shameless citizenship.

There must be such a thing, we reasoned. All our big boasting could not be empty vanity, nor our pious pretensions hollow sham. American achievements in science, art, and business mean sound abilities at bottom, and our hypocrisy a race sense of fundamental ethics. Even in government we have given proofs of potential greatness, and our political failures are not complete; they are simply ridiculous. But they are ours. Not alone the triumphs and the statesmen, the defeats and the grafters also represent us, and just as truly. Why not see it so and say it? . . .

When I set out on my travels, an honest New Yorker told me honestly that I would find that the

Irish, the Catholic Irish, were at the bottom of it all everywhere. The first city I went to was St. Louis, a German city. The next was Minneapolis, a Scandinavian city, with a leadership of New Englanders. Then came Pittsburg, Scotch Presbyterian, and that was what my New York friend was. "Ah, but they are all foreign populations," I heard. The next city was Philadelphia, the purest American community of all, and the most hopeless. And after that came Chicago and New York, both mongrel-bred, but the one a triumph of reform, the other the best example of good government that I had seen. The "foreign element" excuse is one of the hypocritical lies that save us from the clear sight of ourselves.

Another such conceit of our egotism is that which deplores our politics and lauds our business. This is the wail of the typical American citizen. Now, the typical American citizen is the business man. The typical business man is a bad citizen; he is busy. If he is a "big business man" and very busy, he does not neglect, he is busy with politics, oh, very busy and very businesslike. I found him buying boodlers in St. Louis, defending grafters in Minneapolis, originating corruption in Pittsburg, sharing with bosses in Philadelphia, deploring reform in Chicago, and beating good government with corruption funds in New York. He is a self-righteous fraud, this big business man. He is the chief source of corruption, and it were a boon if he would neglect politics. But he is not the business man that neglects politics; that worthy is the good citizen, the typical business man. He too is busy, he is the one that has no use and therefore no time for politics. When his neglect has permitted bad government to go so far that he can be stirred to action, he is unhappy, and he looks around for a cure that shall be quick, so that he may hurry back to the shop. Naturally, too, when he talks politics, he talks shop. His patent remedy is quack; it is business.

"Give us a business man," he says ("like me," he means). "Let him introduce business methods into politics and government; then I shall be left alone to attend to my business."

There is hardly an office from United States Senator down to Alderman in any part of the country to which the business man has not been elected; yet politics remains corrupt, government pretty bad, and the selfish citizen has to hold himself in readiness like the old volunteer firemen to rush forth at any hour, in any weather, to prevent the fire; and he goes out sometimes and he puts out the fire (after the damage is done) and he goes back to the shop sighing for the business man in politics. The business man has failed in politics as he has in citizenship. Why?

Because politics is business. That's what's the matter with it. That's what's the matter with everything,—art, literature, religion, journalism, law, medicine,—they're all business, and all—as you see them. Make politics a sport, as they do in England, or a profession, as they do in Germany, and we'll have—well, something else than we have now,—if we want it, which is another question. But don't try to reform politics with the banker, the lawyer, and the dry-goods merchant, for these are business men and there are two great hindrances to their achievement of reform: one is that they are different from, but no better than, the politicians; the other is that politics is not "their line." . . .

The commercial spirit is the spirit of profit, not patriotism; of credit, not honor; of individual gain, not national prosperity; of trade and dickering, not principle. "My business is sacred," says the business man in his heart. "Whatever prospers my business, is good; it must be. Whatever hinders it, is wrong; it must be. A bribe is bad, that is, it is a bad thing to take; but it is not so bad to give one, not if it is necessary to my business." "Business is business" is not a political sentiment, but our politician has caught it. He takes essentially the same view of the bribe, only he saves his self-respect by piling all his contempt upon the bribe-giver, and he has the great advantage of candor. "It is wrong, maybe," he says, "but if a rich merchant can afford to do business with me for the sake of a convenience or to increase his already great wealth, I can afford, for the sake of a living, to meet him half way. I make no pretensions to virtue, not even on Sunday." And as for giving bad government or good, how about the merchant who gives bad goods or good goods, according to the demand? . . .

But do the people want good government? Tammany says they don't. Are the people honest? Are the people better than Tammany? Are they better than the merchant and the politician? Isn't our corrupt government, after all, representative? . . .

No, the contemned methods of our despised politics are the master methods of our braggart business, and the corruption that shocks us in public affairs we practice ourselves in our private concerns. There is no essential difference between the pull that gets your wife into society or for your book a favorable review, and that which gets a heeler into office, a thief out of jail, and a rich man's son on the board of directors of a corporation; none between the corruption of a labor

union, a bank, and a political machine; none between a dummy director of a trust and the caucus-bound member of a legislature; none between a labor boss like Sam Parks, a boss of banks like John D. Rockefeller, a boss of railroads like J. P. Morgan, and a political boss like Matthew S. Quay. The boss is not a political, he is an American institution, the product of a freed people that have not the spirit to be free.

. . . We are pathetically proud of our democratic institutions and our republican form of government, of our grand Constitution and our just laws. We are a free and sovereign people, we govern ourselves and the government is ours. But that is the point. We are responsible, not our leaders, since we follow them. We *let* them divert our loyalty from the United States to some "party"; we *let* them boss the party and turn our municipal democracies into autocracies and our republican nation into a plutocracy. We cheat our government and we let our leaders loot it, and we let them wheedle and bribe our sovereignty from us. True, they pass for us strict laws, but we are content to let them pass also bad laws, giving away public property in exchange; and our good, and often impossible, laws we allow to be used for oppression and blackmail. And what can we say? We break our own laws and rob our own government, the lady at the custom-house, the lyncher with his rope, and the captain of industry with his bribe and his rebate. The spirit of graft and of lawlessness is the American spirit. . . .

The people are not innocent. That is the only "news" in all the journalism of these articles, and no doubt that was not new to many observers. It was to me. When I set out to describe the corrupt systems of certain typical cities, I meant to show simply how the people were deceived and betrayed. But in the very first study—St. Louis—the startling truth lay bare that corruption was not merely political; it was financial, commercial, social; the ramifications of boodle were so complex, various, and far-reaching, that one mind could hardly grasp them, and not even Joseph W. Folk, the tireless prosecutor, could follow them all. This state of things was indicated in the first article which Claude H. Wetmore and I compiled together, but it was not shown plainly enough. Mr. Wetmore lived in St. Louis, and he had respect for names which meant little to me. But when I went next to Minneapolis alone, I could see more independently, without respect for persons, and there were traces of the same phenomenon. The first St. Louis article was called "Tweed Days in St. Louis," and though the "better citizen" received attention the Tweeds were the center of interest. In "The Shame of Minneapolis," the truth was put into the title; it was the Shame of Minneapolis; not of the Ames administration, not of the Tweeds, but of the city and its citizens. And yet Minneapolis was not nearly so bad as St. Louis; police graft is never so universal as boodle. It is more shocking, but it is so filthy that it cannot involve so large a part of society. So I returned to St. Louis, and I went over the whole ground again, with the people in mind, not alone the caught and convicted boodlers. And this time the true meaning of "Tweed days in St. Louis" was made plain. The article was called "The Shamelessness of St. Louis," and that was the burden of the story. In Pittsburg also the people was the subject, and though the civic spirit there was better, the extent of the corruption throughout the social organization of the community was indicated. But it was not till I got to Philadelphia that the possibilities of popular corruption were worked out to the limit of humiliating confession. That was the place for such a study. There is nothing like it in the country, except possibly, in Cincinnati. Philadelphia certainly is not merely corrupt, but corrupted, and this was made clear. Philadelphia was charged up to—the American citizen. . . .

. . . If I could—and I will some day—I should show that one of the surest hopes we have is the politician himself. Ask him for good politics; punish him when he gives bad, and reward him when he gives good; make politics pay. Now, he says, you don't know and you don't care, and that you must be flattered and fooled—and there, I say, he is wrong. I did not flatter anybody; I told the truth as near as I could get it, and instead of resentment there was encouragement. After "The Shame of Minneapolis," and "The Shamelessness of St. Louis," not only did citizens of these cities approve, but citizens of other cities, individuals, groups, and organizations, sent in invitations, hundreds of them, "to come and show us up; we're worse than they are."

We Americans may have failed. We may be mercenary and selfish. Democracy with us may be impossible and corruption inevitable, but these articles, if they have proved nothing else, have demonstrated beyond doubt that we can stand the truth; that there is pride in the character of American citizenship; and that this pride may be a power in the land. So this little volume, a record of shame and yet of self-respect, a disgraceful confession, yet a declaration of honor, is dedicated, in all good faith, to the accused—to all the citizens of all the cities in the United States.

WEALTH AND INCOME

BY THE FIRST DECADE of the twentieth century, the social settlement movement and English studies like Charles Booth's *Life and Labor in London* had stimulated American sociologists to more careful observation and recording of the actual conditions of certain segments of American life. Two such studies are represented by Frank H. Streightoff's *Standards of Living among the Industrial People of America* (Boston, 1911) and Robert Hunter's *Poverty* (New York, 1904).

Poverty, the older of the two, deals with the very first years of the century and concerns itself with the "marginal" worker whose reward, according to the marginal-utility economists, measured the contribution of labor to the ultimate product. Robert Hunter (1874–), who became one of the early settlement workers in America, attempts to define poverty, to describe its meaning to the people who endure it, and to relate how poverty passes into pauperism. Hunter relies on his own professional experiences for the body of his facts, but he makes use of government reports and the books of other observers.

Poverty he defines as the condition of life of those whose income is not sufficient to keep them in a state of genuine physical efficiency. There is little factual information about the extent of poverty: we lack statistics on wages, unemployment, pauperism, and the number of men killed by accidents. Certain inferences may be drawn from what facts are available, however. About one fifth of the population of the industrial states and about a tenth of the remainder of the country live in poverty.

Poverty is a social wrong, Hunter argues, and requires social remedy. Remedial action is hindered, however, by the structure of the American government, where the still backward South defeats Northern efforts to raise the standard of living. Consequently, nothing in the way of justice or reform is to be expected in the next few years. Hunter has a program, none the less. He recommends government regulation of working hours, the prohibition of child labor, social insurance, and the restriction of immigration. If such measures were enacted, the United States might see an end of the process by which society forces people into poverty, whereupon charity proceeds to pauperize them.

Frank H. Streightoff's study of the standard of living is factual in method and lacks the indignation animating Hunter's survey. The facts, as Streightoff's tables present them, afford material for Hunter's conclusions. Unemployment was widespread, averaging three months in the year in the cases studied; 80 percent of its incidence was for reasons beyond control of the unemployed. Wage differentials seemed to depend on the length of time during which a trade had been organized. Industry was leaving the larger centers to take advantage of the cheaper and more docile labor available in smaller towns. Though crowding might be less in such areas, people were no better housed; the semi rural one-industry regions lodged their workers in quarters worse than any New York tenement.

The low-income groups were inadequately housed, they were poorly clad and badly fed because they lacked sufficient knowledge of nutrition to make the most of the food they could buy. Also, earning power was further lessened by the high incidence of accidents. Insufficient education decreased earning power, too, for the poor took their children from school before they had completed the elementary grades. Even if the children remained in school, they would get no proportionate benefit since teaching was often incompetent and the curriculum usually unsuited to the needs of boys and girls who must earn their living or make homes soon after leaving grammar school. Thus, Streightoff's careful statistical compilations. Higher incomes were necessary

to assure America's continued economic advance.

A half decade later, Willford Isbell King (1880–) published another careful statistical analysis in his *Wealth and Income of the People of the United States* (New York, 1915). He studies national income and savings for the first time; seeks to determine the distribution of the national product among its various classes of receivers; and reviews the course of real hourly wages historically. Over the long term, there has been extraordinary progress, due to great increases in productivity. And from 1865 to 1896, there has been a generally upward movement of real wages. But, apparently since 1906, a downward movement appears to have set in; and thus King and the others—as far as the contemporary scene is concerned—are in essential agreement. (Later statisticians were to question King's conclusions about the first decade of the new century. See below, Part XI.) Though it is impossible to picture the distribution of income among the people as a whole, King finds that 1.6 percent of the population is receiving 19 percent of the income, while 88 percent get 62 percent of it. In 1896, King notes, 88 percent got 65 percent of the nation's income.

Despite all this, King points out that the American worker is better off than his fellows in any other country. The great increase in America's wealth and productivity would have further increased the worker's share of the national income had it not been for the pressure of immigration from Southern and Eastern Europe, which bears heavily on the wages of unskilled labor and thereby brings down the general standard. It is immigration that has reduced labor's gains therefore; a loss without compensation on the east shore of the Atlantic, for the European birth rate has been raised not lessened by emigration so that no improvement of European living standards has taken place. The world's great need, King concludes, is not "social legislation" but measures to decrease the birth rate and so help man "escape from the chains of want forged by his own passions."

The selections are from *Poverty* (1904), reprinted by permission of The Macmillan Company; *Standards of Living among the Industrial People of America* (1911), by permission of Houghton Mifflin Company; and *Wealth and Income of the People of the United States* (1915), by permission of The Macmillan Company.

Poverty

BY ROBERT HUNTER

. . . But to estimate in the most conservative way possible, let us take more or less arbitrarily $460 a year as essential to defray the expenses of an average family,—a father, a mother, and three children,—in the cities and industrial communities of the New England states, of New York, Pennsylvania, Indiana, Ohio, and Illinois. In the cities the amount ought to be placed higher and in the smaller towns the estimate would naturally be lower, but on the whole the average seems a fair one. In the South about $300 a year would probably cover the cost of like necessaries. This estimate of $300 for a family of average size in the South, and of $460 for a family of average size in the industrial states of the North, would approach very nearly a fair standard for the poverty line; that is to say, if any working-class family should be unable to obtain this wage, they would in all likelihood be unable to obtain the necessaries for maintaining physical efficiency.

Even if all were agreed upon these amounts, as fair estimates of necessary yearly wages in the North and South, there is still an obstacle in the way of measuring the extent of poverty by this method. This obstacle consists in the inadequacy of our wage statistics. It is hardly to be doubted that the mass of unskilled workers in the North receive less than $460 a year, or that the same class of laborers in the South receive less than $300. But, unfortunately, that cannot be proved by any statistics obtainable. There are, however, some figures which show that a very large number of workmen are unable to obtain for themselves and families an average income equal to these stand-

ards. Testimony was given before the Industrial Commission showing that the 150,000 track hands, working on the railroads of the United States, received wages ranging from 47½ cents a day, in the South, to $1.25 a day in the North. About half of these men are not employed in the winter, so that their yearly wages are further reduced by a period of idleness. But, leaving that out of account, the sum received in the South would amount to less than $150 a year, and the yearly wage in the North would amount to less than $375. The same witness testified that these wages were also paid to the carmen and shopmen in the North and South. There were 200,000 men employed in these latter trades. Before the same Commission testimony was given concerning the wages of the street-car employees. For these workers the wages ranged from $320 a year to $460. Mr. Elsas, of the Georgia cotton mills, confessed that the average wage paid his employees was $234 a year. Even men were given only from 75 to 90 cents a day for twelve hours' work. Dr. Peter Roberts says that the average yearly wage in the anthracite district is less than $500, and that about 60 per cent of the workers do not receive $450. . . .

While the above figures are altogether too inadequate to permit us to base upon them any estimate as to the extent of poverty, it seems reasonable to assume that the wages of the unskilled laborers in this country rarely rise above the poverty line. A certain percentage are doubtless able to maintain a state of physical efficiency while they have work, but when unemployment comes, and their wages cease, a great mass of the unskilled workers find themselves almost immediately in poverty, if not indeed in actual distress.

It can be assumed, therefore, fairly, I think, that the problem of poverty in this country is in ordinary times confined to a certain percentage of the unskilled laborers who have employment, to most unskilled laborers without employment, and to many unemployed skilled workers. In addition to these workers in poverty, there are those who are weak, infirm, unfortunate, the widows, the families of the sick or the injured, and those who are too incompetent, drunken, or vicious, etc., to be reliable workmen. These are, in the main, the classes of persons in poverty in this country.

It is safe to say that a large number of workers, the mass of unskilled and some skilled workmen with their families, fall beneath the poverty line at least three times during their lives,—during childhood, in the prime of life, and at old age. . . . In this way laborers of the poorest class pass backward and forward over the poverty line. The coming of children, the leaving of children, the periods of employment and of unemployment, the days of health, the days of sickness, the coming of infirmity, the hour of death,—all of these things either force the workers of this class backward, or carry them forward over the poverty line. A large immigration, insanitary tenements, dangerous trades, industrial changes, panics and bankruptcies —in a word, the slightest economic disturbance or rearrangement—may precipitate them into misery. The margin of life upon which many of them live is so narrow that they must toil every possible hour of working time, and the slightest economic change registers its effect upon this class of workers.

Any one going carefully through the figures which have been given will agree that poverty is widespread in this country. While it is possible that New York State has more poverty than other states, it is doubtful if its poverty is much greater proportionately than that of most of the industrial states. Twelve years ago I made what was practically a personal canvass of the poor in a small town of Indiana. There were no tenements, but the river banks were lined with small cabins and shanties, inhabited by the poorest and most miserable people I have almost ever seen. About the mills and factories were other wretched little communities of working people. All together the distress extended to but slightly less than 14 per cent of the population, and the poverty extended to not less than 20 per cent of the people. I cannot say how typical this town is of other Indiana towns, but I have always been under the impression that conditions were rather better there than in other towns of the same size. In Chicago the conditions of poverty are certainly worse, if anything, than in the smaller towns, and that is also true of the poverty of New York City. On the whole, it seems to me that the most conservative estimate that can fairly be made of the distress existing in the industrial states is 14 per cent of the total population; while in all probability no less than 20 per cent of the people in these states, in ordinarily prosperous years, are in poverty. This brings us to the conclusion that one-fifth, or 6,600,000 persons in the states of New York, Massachusetts, Connecticut, New Jersey, Pennsylvania, Ohio, Illinois, Indiana, and Michigan are in poverty. Taking half of this percentage and applying it to the other states, many of which have important industrial communities, as, for instance, Wisconsin, Colorado, California, Rhode Island, etc., the conclusion is that not less than 10,000,000 persons in the United States are in poverty. This includes, of course, the 4,000,000 persons who are estimated to be dependent upon some form of

public relief. While the estimate is unquestionably a conservative one, it may be thought that, although the percentage, as applied to the industrial states, is fair, half of that percentage, as applied to the states largely agricultural, is too high. I think, however, that the figures concerning the number of farms rented and mortgaged would warrant the use of this percentage, if, indeed, there were not many other facts to warrant an assumption of that amount of poverty. . . .

The conclusion that about 10,000,000 persons in the United States are in poverty is, of course, largely based upon the figures of distress and of unemployment which have been given; and it would be warranted, were there no other indications of widespread poverty. However, many indications lend themselves to the support of this conclusion. A very large proportion of the working classes are propertyless; a very large mass of people, not only in our largest cities, but in all industrial communities as well, live in most insanitary conditions; there is a high death-rate from tuberculosis in most of our states; a large proportion of the unskilled workers receive, even when employed, wages insufficient to obtain the necessaries for maintaining physical efficiency; from all indications, the number injured and killed in dangerous trades is enormous; and, lastly, there is uncertainty of employment for all classes of workers. About 30 percent of the workers in the industrial states are employed only a part of each year, and, in consequence, suffer a serious decrease in their yearly wages, which, in the case of the unskilled, at least, means to suffer poverty. Nevertheless, the estimate that somewhat over 10,000,000 persons in this country are in poverty does not indicate that our poverty is as great proportionately as that of England. But it should be said that a careful examination would, in all probability, disclose a greater poverty than the estimate indicates. . . .

. . . There are probably in fairly prosperous years no less than 10,000,000 persons in poverty; that is to say, underfed, underclothed, and poorly housed. Of these about 4,000,000 persons are public paupers. Over 2,000,000 working-men are unemployed from four to six months in the year. About 500,000 male immigrants arrive yearly and seek work in the very districts where unemployment is greatest. Nearly half of the families in the country are propertyless. Over 1,700,000 little children are forced to become wage-earners when they should still be in school. About 5,000,000 women find it necessary to work and about 2,000,000 are employed in factories, mills, etc. Probably no less than 1,000,000 workers are injured or killed each year while doing their work, and about 10,000,000 of the persons now living will, if the present ratio is kept up, die of the preventable disease, tuberculosis. We know that many workmen are overworked and underpaid. We know in a general way that unnecessary disease is far too prevalent. We know some of the insanitary evils of tenements and factories; we know of the neglect of the street child, the aged, the infirm, the crippled. Furthermore, we are beginning to realize the monstrous injustice of compelling those who are unemployed, who are injured in industry, who have acquired diseases due to their occupation, or who have been made widows or orphans by industrial accidents, to become paupers in order that they may be housed, fed, and clothed. Something is known concerning these problems of poverty, and some of them at least are possible of remedy.

To deal with these specific problems, I have elsewhere mentioned some reforms which seem to me preventive in their nature. They contemplate mainly such legislative action as may enforce upon the entire country certain minimum standards of working and of living conditions. They would make all tenements and factories sanitary; they would regulate the hours of work, especially for women and children; they would regulate and thoroughly supervise dangerous trades; they would institute all necessary measures to stamp out unnecessary disease and to prevent unnecessary death; they would prohibit entirely child labor; they would institute all necessary educational and recreational institutions to replace the social and educational losses of the home and the domestic workshop; they would perfect, as far as possible, legislation and institutions to make industry pay the necessary and legitimate cost of producing and maintaining efficient laborers; they would institute, on the lines of foreign experience, measures to compensate labor for enforced seasons of idleness, due to sickness, old age, lack of work, or other causes beyond the control of the workman; they would prevent parasitism on the part of either the consumer or the producer and charge up the full costs of labor in production to the beneficiary, instead of compelling the worker at certain times to enforce his demand for maintenance through the tax rate and by becoming a pauper; they would restrict the power of employer and of ship-owner to stimulate for purely selfish ends an excessive immigration, and in this way to beat down wages and to increase unemployment. . . .

The Standard of Living

BY FRANK H. STREIGHTOFF

. . . THE MOST SATISFACTORY wage statistics however are those published as Bulletin no. 93 of the permanent Census Bureau. In 1904, an investigation was made of 123,703, or 62.9 per cent, of the manufacturing establishments, and 3,297,819, or 47 per cent, of the wage-earners employed during the busy week. The crowning achievement of this investigation was the schedule copied as Table XXII in this essay.

Assuming fifty weeks as the normal working year, this table shows 92,535 grown men earning less than $3 per week, or $150 per year; 338,635 receiving less than $5 weekly, or $250 annually; 1,116,199 paid no more than $8 a week, or $400 per annum; 2,009,914 who are compensated at less than $10 per week, or $500 yearly; and 2,664,349 who are not considered worth more than $12 a week, or $600 a year, to their employers. To these

TABLE XXII

ESTIMATED DISTRIBUTION BY WEEKLY EARNINGS OF AVERAGE NUMBER OF ALL WAGE-EARNERS, AND MEN, WOMEN, AND CHILDREN, 1905

	All Wage-earners			*Men 16 years and over*		
Weekly earnings	*Number*	Percentage *in groups*	Cumulative *percentage*	*Number*	Percentage *in groups*	Cumulative *percentage*
Less than $3	225,793	4.1	100.0	92,535	2.2	100.0
$3 to $4	264,626	4.8	95.9	96,569	2.3	97.8
4 to 5	340,113	6.2	91.1	149,531	3.5	95.5
5 to 6	363,693	6.7	84.9	177,550	4.2	92.0
6 to 7	454,285	8.3	78.2	272,288	6.4	87.8
7 to 8	453,203	8.3	69.9	327,726	7.7	81.4
8 to 9	423,689	7.8	61.6	336,669	7.9	73.7
9 to 10	619,465	11.3	53.8	557,046	13.1	65.8
10 to 12	708,858	13.0	42.5	654,435	15.4	52.7
12 to 15	741,036	13.5	29.5	714,816	16.9	37.3
15 to 20	618,314	11.3	16.0	609,797	14.4	20.4
20 to 25	171,844	3.1	4.7	170,571	4.0	6.0
25 and over	85,402	1.6	1.6	85,005	2.0	2.0
Total	5,470,321	100.0		4,244,538	100.0	
	Women 16 years and over			*Children under 16 years*		
Less than $3	77,826	7.3	100.0	55,432	34.7	100.0
$3 to $4	115,741	10.9	92.7	52,316	32.7	65.3
4 to 5	158,926	14.9	81.8	31,656	19.8	32.6
5 to 6	173,713	16.3	66.9	12,430	7.8	12.8
6 to 7	176,224	16.5	50.6	5,773	3.6	5.0
7 to 8	124,061	11.7	34.1	1,416	0.9	1.4
8 to 9	86,467	8.1	22.4	553	0.3	0.5
9 to 10	62,193	5.8	14.3	226	0.1	0.2
10 to 12	54,340	5.1	8.5	83	0.1	0.1
12 to 15	26,207	2.5	3.4	13	(a)	(a)
15 to 20	8,516	0.8	0.9	1	(a)	(a)
20 to 25	1,273	0.1	0.1			
25 and over	397	(a)	(a)			
Total	1,065,884			159,899		

(a) Less than one tenth of 1 per cent.

can be added at least half a million coal-miners and railroad hands, with the result that in manufacture, transportation, and mining over three million men, about half of whom bear the entire burden of supporting their families, are unable to command incomes of $600 per year. It must be remembered that persons occupied in the mechanical pursuits, three fourths of those engaged in trade and transportation, and all those interested in the field of domestic and personal service, in fact about one half of the men more or less directly connected with manufacturing and urban pursuits, have been left entirely out of this account. It would be conservative to estimate the number of adult males, usually classed as industrial workers and persons engaged in personal service, who receive less than $600 a year for their labor, at five million. Again, by multiplying the figures for persons engaged in manufactures, some of the building trades, coal-mining, clerks in trade and transportation, and bartenders, and of the railway employees, as classified in the abstract of the Twelfth Census and the Statistical Report of the Interstate Commerce Commission (figures of 1900), by the percentages which may be readily calculated from those given by the Commissioner of Labor, it is developed that 4,979,000 adult males are employed at less than $12 a week, the equivalent of $600 a year. Since many trades are not mentioned at all in this computation, it is safe to consider the five million before mentioned as a conservative estimate of the number of male industrial workers who do not earn $600 a year. Professor Ryan wrote, "the conclusion seems justified that at least 60 per cent of male workers in the cities of the United States are to-day (1905) receiving less than $600 annually." . . . "A prominent official in one of the largest charities in New York City thinks that $2.00 a day, or about $624 a year is necessary for a family of five in that city." Professor Ryan is willing to accept $600. He thus summarizes his conclusions: "Anything less than $600 per year is NOT a Living Wage in any of the cities of the United States; second, this sum is PROBABLY a Living Wage in those cities in the Southern States in which fuel, clothing, food, and some other items of expenditure are cheaper than in the North; third, it is POSSIBLY a Living Wage in the moderately sized cities of the West, North, and East; and fourth, in some of the largest cities of the last named regions, it is certainly NOT a Living Wage."

It was such a surprise to many when the committee of the New York State Conference of Charities and Corrections decided that $825 was the necessary income to allow a family of five to maintain a fairly proper standard of living in New York City, that it may well be questioned whether $600 is not too low a minimum for the large majority of the smaller cities in the North, East, and West. To test this criterion, a very intelligent man who works at odd jobs in Middletown, Connecticut, was consulted. At first he was confident that a decent living could not be obtained for less than $750 per year. It was impressed upon him that it was a *minimum* wage, merely enough to maintain physical and mental efficiency that was sought. On the basis of his accounts for 1908, and much careful calculation, he finally produced the following as his minimum estimate:

Minimum cost of living for one year for family of five

Rent	$120.
Fuel, 5 tons of coal	35.
1 cord of wood	5.
Food, Groceries	168.
Milk, 1 quart per day at 8 cents	29.20
Vegetables	24.
Meat and fish	96.
Clothing	140.
Church and other organizations	20.
Pleasure	20.
Doctor	12.
Miscellaneous	40.
Total	709.20

This estimate can be summarized thus:

Rent	$120.	16.9%
Food	317.20	44.8
Clothing	140.	19.7
Fuel	40.	5.1

This leaves 13.5 per cent for other expenditures which, in comparison with the standards in chapter on budgets, is not excessively large.

Now assume arbitrarily that the family consists of a husband, a wife, a boy between eleven and fourteen, a child, between seven and ten, and a baby under three; the total food consumption will be that of 3.70 adult males. At twenty-two cents per man per day, it would cost $297 a year to provide adequate nourishment for this household. The estimate of this man, then, was not too high. His family, especially his wife, is not by any means well clothed in the usual sense of the term, but appears to be equipped with the minimum for health and comfort. Reduce his figure for clothing to $120. It will be remembered that Dr. Chapin concluded that a family could not be clothed for less than $100, and did not affirm that this sum would suffice. His estimate makes absolutely no

provision for night-clothes, overshoes and other equipment necessary for encountering storms, and the amount allowed for foot wear, particularly for each boy, is incredibly small. So $120 for clothing is certainly not too high, especially in the light of the standard fixed by the Iowa Bureau of Labor Statistics. One hundred and twenty dollars a year will not hire a very good house, but diminish this figure to $100. The necessary expenses now are:

Food	$297
Rent	100
Clothing	120
Fuel	40
Church and other organizations	20
Medical attendance	12
Amusement	20
Miscellaneous	40
Total	649

Surely this is not a high estimate for a Living Wage. It makes no provision for saving. Middletown is a small city, and its prices are comparatively low. The estimate was very carefully made as a minimum and then reduced by sixty dollars. It is, then, conservative to set $650 as the extreme low limit of the Living Wage in cities of the North, East, and West. Probably $600 is high enough for the cities of the South. At this wage there can be no saving and a minimum of pleasure. Yet there are in the United States, at least five million industrial workmen who are earning $600 or less a year.

It will be remembered that 1,116,199 men engaged in manufacture alone are earning no more than $400 per annum, and 2,009,914 are receiving no more than $500. If all industrial occupations are considered, probably four million men are not enjoying annual incomes of $600.

Wealth and Income

BY WILLFORD I. KING

The National Dividend

By deducting the total capital savings from the book income, we arrive at the national dividend. Table XXII gives us a very rough estimate of the total savings and of the value of the goods actually consumed by the people. . . .

But, after all reasonable allowances have been made, the fact remains, practically, that, beginning with 1870, there has been an increase in the national dividend so enormous that it cannot logically be ascribed to anything but the tremendous advance in productive power due to the revolutionary improvements in industry which have characterized the last half century. It seems improbable that any other great nation has ever experienced such sweeping gains in the average income of the inhabitants. It has, almost necessarily,

TABLE XXII

THE NATIONAL DIVIDEND

FOR THE CONTINENTAL UNITED STATES MEASURED IN PURCHASING POWER

Estimates Based on Production

Census Year	Estimated Total Income in Millions of Dollars	Estimated Capital Savings in Millions of Dollars [a]	Net Goods Consumed in Millions of Dollars [b]	Index of Price Level	Value at Prices of 1890–1899 of all Goods Consumed: Total in Millions of Dollars	Value at Prices of 1890–1899 of all Goods Consumed: Per Capita in Dollars
1850	2,214	400	1,814	139.2	1,303	56
1860	3,636	843	2,793	141.3	1,977	63
1870	6,720	1,047	5,673	221.6	2,560	66
1880	7,391	1,267	6,124	132.4	4,626	92
1890	12,082	1,612	10,470	113.6	9,218	146
1900	17,964	1,569	16,395	101.7	16,121	212
1910	30,529	2,000	28,529	126.5	22,552	245

[a] Estimated by deducting from the average annual increase in wealth for the decade, the average annual increase in land values for the same period.

[b] Column 2 minus column 3.

been accompanied by a great rise in the standard of living. The increase has not been so much in the quantity as in the quality of the goods thought of as necessaries by the average citizen. Today, the urban housewife, for example, looks upon running water, a bath room, electric lights, a gas range, and a piano as necessary household equipments. She demands that her food be purchased not in bulk, but in air-tight sanitary packages. She does not care to go to market but expects her purchases to be delivered in small amounts at frequent intervals. She must have clothing not only sufficient for comfort and neatness but also strictly à la mode. Her children must not thumb dog-eared books and dirty slates while seated in a dingy little room on rough wooden benches in the presence of a pedagogue who pieces out his wages as a farm laborer by teaching "the three R's" during the winter. On the contrary, they must have an endless chain of interesting reading books, must write in pretty clean tablets, and must work with up-to-the-minute laboratory equipment under the direction of highly trained teachers in a beautiful, light, airy school room. Neither are the children expected to quit school when they have learned to "figger" and to parse. They must go to high school and become versed in the scientific knowledge of the day, with a little home economics, music, and manual training on the side. When supper is over, the children and their parents do not entertain each other or visit the neighbors, but instead hire the services of paid entertainers at the theatre or moving picture show or take a ride in the boat or car or automobile. No matter which way one turns, the demand is far better and better quality, more and more elaborate service, greater and greater variety. . . .

But, after all, absolute figures are of but little interest to most of us. Which has been gaining at the expense of the others? Which has been losing out in the race? The answer to these questions is presented in Table XXXI.

TABLE XXXI

THE ESTIMATED PERCENTAGES OF THE TOTAL NATIONAL INCOME RECEIVED RESPECTIVELY BY LABOR, CAPITAL, LAND, AND THE ENTREPRENEUR

Census Year	Shares of Product				
	Wages and Salaries	Interest	Rent	Profits	Total
1850	35.8	12.5	7.7	44.0	100.0
1860	37.2	14.7	8.8	39.3	100.0
1870	48.6	12.9	6.9	31.6	100.0
1880	51.5	18.6	8.7	21.3	100.1
1890	53.5	14.4	7.6	24.6	100.1
1900	47.3	15.0	7.8	30.0	100.1
1910	46.9	16.8	8.8	27.5	100.0

The Shares of Capital and the Entrepreneur

The combined share of interest and profits showed a striking decline between 1860 and 1870 and has since tended to remain practically constant. The decline was probably largely a result of the freeing of the slaves and the destruction of capital due to the Civil War. When the slaves were largely transformed into wage earners, the natural outcome was a large increase in the wages bill at the expense of interest and profits. The industry of the South was so disorganized by the conflict that it took a number of years for business to get on its feet again; hence, the share of profits and interest was cut down even further though this effect was partially offset by the higher interest rates prevailing for the capital which escaped destruction.

The Share of Labor

Since rent has constituted a share relatively stationary and comparatively unimportant in amount, wages have been practically the complement of the combined factors of interest and profits. The great rise of the share of wages during the decade 1860 to 1870 has therefore just been accounted for in explaining the fall of interest and profits. It will be noted that the rise in the percentage received by wages continued slowly until 1890 and has since been gradually declining. Is there any logical explanation of this change?

Statistical studies of the fraction of the total income going to wages are so rare that few if any laws on this score have yet been inductively formulated. Economists are not even united upon any deductive theory for this case. Any reasons assigned, therefore, must be purely hypothetical. The most probable causes for the decline of the last two decades are perhaps the disappearance of free land, with the attendant increase in the pressure upon our natural resources, and the great influx from abroad of labor of a low degree of efficiency. Whether these are or are not the correct explanations of the changing trend, the fact remains that the total share going to labor has, of recent years, been falling off despite the efforts of labor unions and combinations. It still remains a mooted question whether any labor organization not monopolizing practically the whole wage earning class can, through combination, cause a larger share of the total national income to be paid as wages than would fall to the lot of labor under a regime of free competition.

It is the worker's share of the product which

seems to appeal most to the imagination of present day writers. This is the period in which "downtrodden labor" is at least coming to have its importance recognized. But the question of primary importance is not how much does labor as a whole receive but how much, on the average, does each laborer get. Is the worker being treated justly? Does the unskilled toiler receive a fair living wage? If not, how can his condition be bettered?

And these queries are rightly considered of the first importance. The overwhelming majority of our population are dependent primarily upon wages for their income and, therefore, the economic welfare of the nation is largely synonymous with the wages of the working people measured in purchasing power; in other words, it depends upon the extent to which the money wages received are adequate to furnish the necessities and customary luxuries of life.

But nothing is more futile than the denunciation of the employers as a wicked and heartless class because they refuse to pay higher wages. The employer is the slave of existing competitive conditions. In the established and better understood industries, he cannot long pay higher wages for the same grade of labor than do his competitors or he will soon be forced to the wall. But these competitive conditions may be changed. They are the results of law and custom and society can, by legal enactment, largely revolutionize them at its pleasure. Suppose, that, by radical legislative changes, the largest possible fraction of the national dividend was diverted to the share of wages. How would it affect the wage earners?

In 1910, the wages bill of the nation was approximately $14,303,600,000. It is possible that the government might tax away all rent and turn the proceeds to the benefit of labor. Interest cannot be decreased without resulting in a loss of saving; hence, the interest bill could scarcely be lessened without destructive effects to the capital supply of the country, thus ruining our industries. Nothing, therefore, could be gained from that source. Average profits, as will be seen by reference to Table XXXII, are only about half as large again as average wages. We could not get the services of entrepreneurs for nothing and it must be conceded that the farmers and planters and business men, as a rule, rank higher in efficiency than does the average employee; therefore, these entrepreneurs must necessarily be paid somewhat more than the average wage of the latter. Suppose, that, as the maximum possible allowance, we took one fourth of all profits and diverted those also to the benefit of the employees. The total allowance for wages and salaries would now amount to about $19,079,500,000, or a gain of almost exactly one third over and above the present payments for labor.

But not nearly all of this one third addition would be a gain to the income of the employed classes, for very many employees own land and derive a considerable fraction of their income from its rent. The commonest example of this is the case of homeowners who enjoy the services of the land on which their residence stands. Many others receive rent and profits indirectly through the ownership of the stocks or bonds of corporations. A few obtain profits through business ventures of their own. For these employees, the transfer of rent and profits to the wages fund means taking money out of one pocket and transferring it to another, though the amount lost might be greater or less than that gained. Thus, it would seem improbable that, with our present national productive power, any feasible system of distribution could increase the average wage earner's income in purchasing power by more than one fourth and this is an extreme rather than a moderate estimate. While such a change might or might not be desirable, it would, at least, work no startling revolution in the condition of the employees of the United States. The grim fact remains that the quantity of goods turned out absolutely limits the income of labor and that no reform will bring universal prosperity which is not based fundamentally upon increasing the national income. After all, the Classical Economists were right in emphasizing the side of production in contradistinction to that of distribution. Nature refuses to yield her bounty except in return for effort expended. Demands for higher wages have never yet unlocked her storehouses.

We have talked about the possibilities, through a new system of distribution, of increasing the income of the laboring classes. We have observed that labor has been fairly successful in retaining about a half of the total product, but this tells us nothing about the portion going to each individual and the last is a question of vastly more importance than the study of the share obtained by labor *en masse*. Has the compensation for the efforts of the average laborer increased as fast as should be the case considering the tremendous improvements in industrial processes? Has the entrepreneur distanced the employee in the race, constantly securing the lion's share of the added spoils? Some light will be thrown upon these questions by reference to Table XXXII.

According to generally accepted economic theory, the price of labor is determined by the value

TABLE XXXII

THE ESTIMATED RETURNS FOR PERSONAL EFFORTS IN THE CONTINENTAL UNITED STATES

Census Year	Index of Price Level [a]	Total Wages and Salaries in Millions of Dollars	Number of Employees in Thousands	Average Money Wage per Employee per Annum	Average Wage per Employee in Purchasing Power [b]	Total Profits in Millions of Dollars	Number of Entrepreneurs in Thousands	Average Money-Profits in Dollars per Entrepreneur	Average Profits per Entrepreneur in Purchasing Power [c]
1850	139.2	792.8	3,880	$204	147	973.9	2,200	443	318
1860	141.3	1,351.1	5,090	265	188	1,430.7	3,150	454	321
1870	221.6	3,269.5	8,240	397	179	2,122.9	4,270	497	224
1880	132.4	3,803.6	11,790	323	244	1,571.6	5,600	281	212
1890	113.6	6,461.8	16,220	398	350	2,967.1	7,100	418	368
1900	101.7	8,490.7	20,350	417	410	5,382.1	8,720	617	607
1910	126.5	14,303.6	28,200	507	401	8,408.1	9,350	899	711

[a] United States Bureau of Labor wholesale price index for year preceding the Census.
[b] Purchasing power of the money wage at the prices of 1890–1899.
[c] Purchasing power of the money profits at the prices of 1890–1899.

of its product. When labor has much capital and natural resources with which to work, the price of labor is high, and vice versa. We have seen that the capital supply has more than kept pace with the number of workers but that the land supply per man has decreased. We shall examine into the net effects which this change has produced on labor. In considering the price of labor as a commodity, each occupation and industry has been given a constant weight in order that the results might not be vitiated by a varying composition of the wage earning body at different dates. The weights are roughly proportional to the number of workers at some date chosen. The results are all computed from the reports of governmental investigations, have been carefully checked, and are believed to be reasonably accurate for the entire ground covered, except in the case of agricultural labor. This is subject to a considerable degree of error but is based on the only government reports available, those published by the Department of Agriculture.

The figures for wages preceding 1890 are all based on the Aldrich Report prepared by Roland P. Falkner. The weights there used were varied according to the reported number of workers in each industry from year to year. This gives an index of average earnings per hour rather than an index of the price of labor. The distinction is important, but it is unlikely that the difference in the weighting systems would noticeably change the indices obtained. It is almost certain that the trend of wages shown would not be materially affected.

The fact should be noted that, while we have heretofore been dealing with the earnings of all employees, the following tables take into consideration wage earners only, entirely omitting all salaried workers. The first tables show changes in the hourly rates. It was impossible to get accurate statistics concerning the wages of women before 1890, hence the figures for the years 1850 to 1890 are wholly for male workers. . . .

It is only necessary to call attention to a few salient features. It is noticeable that the price of labor is much more stable than the price of other commodities. The tremendous rise of the latter in 1865, due to the greenback inflation, was accompanied by a smaller increase in money wages resulting in a marked drop in the purchasing power of an hour's work. In almost every instance, wages have failed to respond fully to short time price fluctuations and, as a result, there is close inverse correlation between the short time changes in the commodity price level and average real wages.

From 1865 to 1896, the general trend of real wages was very steadily toward higher levels, except for temporary backsets. After 1896, the progress upward ceased and, since 1906, there are some suspicious indications of a general decline. The important feature is that the ascent has been checked, and that, right in the face of the greatest industrial development that the world has ever seen. A little further vision on the part of our statesmen at Washington seems, at present, even more essential to the welfare of the working classes than does the inventive genius of the scientist in his laboratory, the monopolizing power of the labor union, or the organizing ability of the great captain of industry. . . .

TABLE XXXIV

INDICES OF COMMODITY PRICES AND OF HOURLY WAGES FOR MEN IN ALL INDUSTRIES

Base 1890–1899

Year	Index of Money Wages [a]	Index of Commodity Prices	Index of Wages in Purchasing Power	Year	Index of Money Wages [a]	Index of Commodity Prices	Index of Wages in Purchasing Power
1850	47.1	100.6	46.8	1870	94.8	162.8	58.2
1851	47.6	111.2	42.8	1871	94.4	153.4	61.5
1852	48.8	110.4	44.2	1872	94.8	149.3	63.5
1853	49.1	118.4	41.5	1873	94.2	145.4	64.8
1854	51.4	118.4	43.4	1874	92.2	146.5	62.9
1855	52.3	123.1	42.5	1875	91.4	145.3	62.9
1856	53.1	126.6	41.9	1876	87.6	138.2	63.4
1857	54.2	128.5	42.2	1877	83.2	128.1	64.9
1858	53.0	127.6	41.6	1878	81.5	117.9	69.1
1859	53.5	116.0	46.1	1879	80.6	107.1	75.3
1860	54.2	112.7	48.1	1880	82.7	118.3	69.9
1861	54.6	106.1	51.5	1881	87.2	122.2	71.3
1862	57.2	117.4	48.8	1882	88.4	123.0	71.9
1863	65.5	149.0	44.0	1883	92.1	120.2	76.6
1864	73.9	194.0	38.1	1884	89.7	115.7	77.6
1865	82.7	261.8	31.6	1885	90.2	105.2	85.7
1866	85.8	211.6	40.6	1886	91.0	105.3	86.4
1867	90.5	186.9	48.4	1887	93.3	106.6	87.5
1868	92.7	196.1	47.3	1888	94.1	108.5	86.7
1869	94.1	171.7	54.8	1889	97.0	111.1	87.3
				1890	100.2	105.6	94.9

[a] Computed from Tables 42 and 44, *Senate Report 1394*, Part I, 1893, pp. 176–8.

TABLE XXXV

RELATIVE PRICES OF COMMODITIES AND MEN'S LABOR PER HOUR IN ALL INDUSTRIES

Base 1890–1899

Year	Labor Index	Commodity Index	Index of Commodity Value of Labor	Year	Labor Index	Commodity Index	Index of Commodity Value of Labor
1890	100.2	105.6	94.8	1905	125.5	115.3	108.8
1891	100.5	105.8	95.0	1906	132.0	120.0	110.0
1892	101.8	103.7	98.1	1907	137.1	125.8	109.0
1893	101.6	104.6	97.1	1908	133.5	125.4	106.4
1894	96.7	98.3	98.4	1909	132.9	130.0	102.2
1895	98.2	96.0	102.3	1910	137.6	135.2	101.8
1896	99.0	94.6	104.7	1911	141.0	133.3	105.8
1897	99.3	94.7	104.8	1912	145.2	141.0	103.0
1898	99.6	97.1	102.6	Av. price of labor per hour, 1890–99	$0.1510		
1899	103.0	99.5	103.5				
1900	107.0	105.3	101.6				
1901	110.2	107.5	102.5				
1902	114.4	112.6	101.6	Av. price of labor per hour, 1912	$0.2192		
1903	119.8	114.5	104.6				
1904	122.6	115.0	106.6				

AMERICAN PROBLEMS

CORPORATE AND FINANCE CAPITALISM IN AMERICA

COMMISSIONER OF CORPORATIONS

In 1904, the gathering protest against corporate abuses reached President Theodore Roosevelt. Through his influence, a provision for a Bureau of Corporations was inserted into the bill organizing the new Department of Commerce and Labor. This Bureau was to turn the salutary light of publicity on certain corporate activities and, if nothing else, to make Americans aware of the dangers of monopoly practices. Notable among the Bureau's reports is the *Report on the Steel Industry* (1911), which tells part of the story of the organization of the United States Steel Corporation.

The consolidation of plants had created a situation in which several large units in the steel industry competed for the market in heavy steel products. Competition operated with sufficient effect to cause marked discomfort among rival interests, the report declares, and the great steelmakers of the country, under the guidance of the elder Morgan, decided that union was desirable. This was notably so because Andrew Carnegie, the greatest manufacturer of heavy steel, was threatening to go into the light steel field in order to join battle with the rivals created by the investment bankers.

A holding company was organized in 1901, therefore, and its billion dollars in capital stock and more than three hundred millions of bonds were exchanged for the plants and goodwill of the competing Carnegie, Rockefeller, Morgan and Moore interests in steel. Carnegie was eliminated as a source of disturbance and harmony was restored by the erection of a system integrating all the elements in steel production—from the ore beds of the Great Lakes area to the mills of Pittsburgh and Chicago for fabricating steel wire. Also, the downward movement of prices in steel was checked—the era of "administered prices" had begun.

In addition to detailing the story of the merger, the Commissioner of Corporations attempted a physical valuation of the plant and material assets belonging to the new holding company. That appraisal made clear the extent to which corporate stock represented an intangible asset rather than a tangible one; even at a current market valuation of plants and other assets, the "billion dollar" United States Steel Corporation was worth no more than $700 million; almost half of its securities represented "capitalized goodwill."

The Bureau of Corporations continued to exist until 1914 when it was replaced by the Federal Trade Commission having amplified powers to check unfair methods of competition.

The selections here reprinted are from the Bureau's *Report on the Steel Industry* (2 vols., Washington, 1911).

Report on the United States Steel Corporation

BY THE BUREAU OF CORPORATIONS

ORGANIZATION OF THE UNITED STATES STEEL CORPORATION IN 1901

FUNDAMENTAL CAUSES OF THIS CONSOLIDATION

THE FUNDAMENTAL CAUSES of the formation of the United States Steel Corporation were substantially the same as in the case of the earlier consolidations described above, namely, (1) restriction or prevention of competition by combination; (2) integration; (3) stock inflation.

While in the case of the several consolidations thus far considered all three of these causes were not invariably present, all of them were factors in the organization of the Steel Corporation, and the same processes already described were repeated there in a more comprehensive manner and on a vaster scale.

The restriction of competition was the controlling motive in the organization of the Steel Corporation. While competition had already been greatly restricted in certain branches of the steel industry, a striking result of the consolidation movement above described was that competition was not thereby destroyed. Instead it soon developed that the formation of these great consolidations was likely to bring on an era of competition more severe than any the industry had yet experienced. This unforeseen outcome of consolidation, as explained below, was largely due to the tendency of these great consolidations to secure greater integration and thus to make themselves practically independent in all stages of production from the ore up.

The economies and commercial advantages rendered possible by integration through a still greater merger were also considerable, and, moreover, furnished a convenient argument in attempts to justify the merging of these competing concerns.

The third factor, namely, the inflation of securities, was also extremely important. The upward swing of trade and industry in the United States had not exhausted its vigor, and the business world was still ready to support vast commercial and financial undertakings.

There was thus brought about a temporary conjunction of conditions in the industry which presented an extraordinary inducement to prevent a bitter commercial conflict, and at the same time a remarkable opportunity to organize a consolidation which promised to yield unexampled profits from the flotation of an enormous amount of watered stock.

For a clear understanding of the real significance of the organization of the Steel Corporation, it is necessary to describe the situation in some detail.

POSITION OF THE STEEL INDUSTRY.—The preceding discussion has shown that a remarkable condition had been reached in the iron and steel industry by the close of the year 1900. In the first place, the manufacture of crude and semifinished steel was largely in the hands of a comparatively few great concerns. The manufacture of several of the more finished lines, such as wire and wire products, tin plate, sheets, and tubes, moreover, had been substantially transferred to another group of consolidations, each of which with few exceptions had a more or less monopolistic position. These latter concerns were in great measure dependent upon the larger steel makers for a supply of their raw material, namely, semifinished steel. The larger steel concerns, on the other hand, were chiefly engaged in the manufacture of crude and semifinished steel or of heavier finished steel products, such as rails and structural material, which did not bring them directly in conflict with the group of concerns making the more elaborated products.

The relationships of the companies in these two groups to one another have already been partly indicated in the preceding discussion. These relationships had, however, such a vital bearing upon the organization of the Steel Corporation that they may be briefly summarized at this point.

The large consolidations which were subsequently merged into the Steel Corporation may be conveniently grouped in two classes—(1) the "primary group," or those making chiefly semifinished steel and heavy steel products, and (2) the "secondary group," consisting of those making lighter and more elaborated products.

The primary group of companies comprised the Carnegie Company, the Federal Steel Company, and the National Steel Company. Of these, the Carnegie Company was, of course, the most important. As already shown, it was a highly integrated concern, completely independent as to the production of its raw materials, and also pig iron and crude steel. It also had very important transportation facilities. The company, however, depended to a considerable extent for the market-

ing of its semifinished steel products (which comprised a very large portion of its total output) upon other steel manufacturers, who used such semifinished steel as their raw material. Some of its most important customers, in fact, were concerns in the second group of consolidations just noted.

The Federal Steel Company was in much the same general position as the Carnegie Company, being very thoroughly integrated, with extensive holdings of iron-ore and coking-coal lands, and with even more important transportation facilities. A rather larger proportion of its crude steel was worked up into finished forms (chiefly heavy lines) than in the case of the Carnegie Company; nevertheless, the company depended upon other steel manufacturers for an outlet for a part of its production.

The National Steel Company, while thoroughly integrated with respect to raw materials, was almost entirely dependent upon other manufacturers for a market for its steel, which, as already shown, consisted chiefly of such semifinished products as billets, sheet bars, and tin-plate bars. This company, however, had a ready market for the bulk of its steel products, because of its close affiliation with the other so-called "Moore" concerns, the Tin Plate, Sheet Steel, and Steel Hoop companies.

It is obvious, therefore, that all three of these steel-making concerns, despite their great size, were in a measure dependent upon other manufacturers.

A very important concern closely connected with this primary group of steel-making companies was the Lake Superior Consolidated Iron Mines, controlled by Standard Oil interests. This company had enormous holdings of ore in the Lake region, as well as a very important ore railroad to upper Lake ports—the Duluth, Missabe and Northern. Moreover, as previously stated, the controlling interests in this concern also controlled the Bessemer Steamship Company, which owned the largest fleet of vessels on the Great Lakes. These interests were not engaged in steel manufacture in any way.

The principal concerns in the secondary group were the American Steel and Wire Company, the National Tube Company, the American Tin Plate Company, the American Sheet Steel Company, the American Steel Hoop Company, and the American Bridge Company. . . .

At the organization of these great companies, therefore, there was a marked degree of interdependence among them. For a short time after their formation this general situation was fairly well maintained. The three largest concerns—the Carnegie Company, the Federal Steel Company, and the National Steel Company—still restricted their operations for the most part to the production of crude steel or the cruder and simpler steel products which they had previously made, while those consolidations making more highly finished products continued to buy a large portion of their requirements of iron and steel from the principal steel-making concerns just named.

This balance or adjustment of trade conditions was, however, speedily disturbed. As already shown, the makers of the lighter forms of steel products began to extend the scope of their activities, or to plan such extensions, with a view to supplying themselves with the raw material of manufacture, namely, the semifinished steel hitherto purchased from others.

In other words, just at the time that concerns like the Carnegie and Federal Steel companies had extended their investment in raw materials and transportation facilities and had greatly enlarged their plant capacity, they were confronted with the loss of the patronage of some of their best customers, because the latter, in turn, had been extending their activities in the same directions. Under these circumstances a counterpolicy of extension into finished lines by the larger steel concerns became almost imperative. This counterstroke was, in fact, promptly threatened, and the whole industry was unsettled by the prospect of an era of extremely severe competition.

This threatened competition should be regarded particularly from two standpoints—first, it meant an enormous enlargement of productive capacity, and one which would apparently exceed the normal consuming power of the country for a long time to come, and, second, it meant the breaking down of the extremely profitable quasi-monopolies already established in particular products of the industry, such as wire, tubes, tin plate, and sheets. Both considerations obviously threatened to reduce profits in the steel industry to a decidedly lower level.

In the year 1900 the prospective loss of business for the great steel-producing companies, accompanied by a slackened activity in the trade, developed an exceedingly acute situation. The Federal Steel Company prepared to take up the manufacture of several lines of finished products, namely, structural material, universal plates, and tubes. In the summer of the same year it was reported that the Carnegie Company would go into the manufacture of wire rods on an extensive scale, thus "invading" the territory of the secondary group. This action was generally regarded as

a blow at the American Steel and Wire Company, which had just threatened to erect additional blast furnaces and a large steel plant. Reports of further important plans of the Carnegie Company for extending its lines of production of finished products were current during the year 1900, and early in 1901 the definite announcement was made that the company was about to take up the manufacture of steel tubes in a new plant of enormous capacity, to be constructed at Conneaut Harbor, Ohio. This announcement, moreover, was made in such a way that it could be interpreted only as a declaration on the part of the Carnegie interests that they did not propose to submit idly to the loss of tonnage threatened by the plans of some of the larger consolidations making finished products, which previously had been among their largest customers. . . .

This unmistakable evidence of an aggressive policy of retaliation on the part of the Carnegie concern, accompanied as it was by the important extensions into the manufacture of finished articles announced by the Federal Steel Company, revealed sharply the trend of the existing conditions, and naturally had a very disquieting effect in the trade and in financial circles. Both the trade journals and the financial press were filled with articles to the effect that a "battle of the giants" in the steel industry was at hand.

In such a contest it was apparent to all that the Carnegie Company, while likely at first to lose some business, might be expected in the long run to maintain, and even to increase, its dominating position in the industry. Its long established business, the modern character of its plants, its efficient technical and commercial organization, as well as its strong financial position, made it easily superior to any of its competitors. It had a distinct advantage in all these respects over even the Federal Steel Company, which was its largest rival, but whose plants were for the most part less modern and also widely separated geographically. There was no question that if the Carnegie Company, with its unlimited means and efficient organization, went into the manufacture of wire, tubes, sheets, or tin plate it would be more than able to hold its own against the respective large consolidations which produced those products, and which in their efforts to monopolize the business had been constrained to include in their respective organizations many plants of inferior character.

THE FINANCIAL SITUATION.—This unsettled trade situation was aggravated because of the importance which the securities of several of these steel concerns had assumed in the stock market. A period of violent competition in the steel industry would inevitably have been followed by a great decline in the value of these securities. A still more important matter was that the financial backers of some of these steel concerns had extensive commitments in other directions, which might be jeopardized by such an acute struggle in the steel industry. From the standpoint of these financiers, therefore, the situation presented at once a great danger and a great opportunity.

From a financial point of view there were four important steel groups, which were more or less distinct, namely, the Morgan group, the Moore group, and the Carnegie and the Rockefeller interests.

The Morgan group, which included the Federal Steel, National Tube, and American Bridge companies, enjoyed of course the advantage of a strong financial support, but these financial interests were extensively committed in other lines of business, especially in railroad financiering. They naturally would be especially concerned in preventing the outbreak of the threatened competition in the steel business. It may be noted that there were reports at this time that the Carnegie interests were contemplating the construction of a railroad from Pittsburg to the Atlantic seaboard. This threat, if made good, would have created an extremely disturbing factor in the trunk-line situation.

The Moore concerns, already described, were the most heavily over-capitalized and suffered from a distinctly speculative backing.

The Carnegie interests had abundant capital and credit, and their securities did not figure on the stock market, while their organization and management were unequaled. They were apparently in the best position of any of these groups to meet a price war.

The Rockefeller interests were entirely concerned with the production and transportation of iron ore. Their financial resources were of course abundant for any emergency. Their stocks did not figure to any appreciable extent on the exchanges.

The American Steel and Wire Company apparently was not closely affiliated with any of the foregoing groups. Despite its great earnings, its position was vulnerable. It apparently had no especial banking support.

It is evident, therefore, that, both from the point of view of the iron and steel industry and that of the stock market, the threatened outbreak of violent competition between these rival interests involved serious consequences. It might have meant the sudden termination of the extraordinary period of speculative activity and profit. On the

other hand, an averting of this conflict by a merger of the various great consolidations, if successfully financed, would be a tremendous "bull" argument. It would afford its promoters an opportunity for enormous stock-market profits through the sale of its securities. The advantages to these interests, through the concentration of profits in different stages of the industry under a single control, would also be considerable, and there was undoubtedly some advantage to be gained through the further integration which such a consolidation would render possible.

It was clear to everyone that no consolidation of this sort could be made successful unless it included the Carnegie Company, which was the most powerful factor in the situation, which had long been noted for its aggressive tactics, and which, as above shown, had precipitated this crisis. Moreover, there can be little doubt that many interests in the steel industry regarded Mr. Carnegie's personal influence as a menace to their success, and desired to secure his retirement from the trade. At the same time the enormous earning power of the Carnegie concern would be an exceedingly important consideration both in the profits of the new company and also in facilitating the flotation of its securities.

The primary solution of the situation, therefore, from the standpoint of these interests, was to buy out Mr. Carnegie. Mr. Carnegie's well-known willingness to sell made the problem largely one of terms. Negotiations were promptly undertaken and speedily concluded by arranging to take over his large interest in his concern in exchange for bonds of the new consolidation. On March 2, 1901, announcement was made by J. P. Morgan & Co., as bankers, that arrangements had been completed for the organization of the United States Steel Corporation to acquire control of the following concerns: Carnegie Company (of New Jersey), Federal Steel Company, American Steel and Wire Company, National Tube Company, National Steel Company, American Tin Plate Company, American Steel Hoop Company, and American Sheet Steel Company.

The preliminary incorporation papers of the new company, under New Jersey laws, had already been taken out. The terms offered the constituent companies were speedily accepted by a great majority of the stockholders of these concerns, and, on April 1, 1901, within a very few weeks after the first serious intimation that negotiations were under way the United States Steel Corporation was definitely launched and in actual operation. The authorized capital stock was $1,100,000,000, equally divided between preferred and common shares. In addition there was a bond issue of $304,000,000 (exclusive of underlying indebtedness aggregating approximately $81,000,000, this including sundry mortgages and purchase-money obligations). About $425,000,000 of each class of stock and all of the bonds were issued for the companies named and for other purposes. Very soon after its organization the Corporation made three further important acquisitions, namely, the Lake Superior Consolidated Iron Mines, the Bessemer Steamship Company, and the American Bridge Company. It also acquired a one-sixth interest in the Oliver Iron Mining Company and the Pittsburg Steamship Company, the other five-sixths having been secured in the purchase of the Carnegie Company. During the following summer it purchased the Shelby Steel Tube Company. As a result of these acquisitions its issue of stock was increased to over $500,000,000 of each class, giving it an issued capitalization in stock alone of more than $1,000,000,000.

Thus, the threatened conflict in the steel industry was averted, while, as shown later, an unprecedented profit was reaped by the organization syndicate.

ESSENTIAL CHARACTER OF THE STEEL CORPORATION IN 1901

The United States Steel Corporation, by including in its organization both of the first two groups of companies described, insured to itself on the one hand an abundant capacity for the production of crude steel and a large proportion of the country's output of heavy rolled products, and, on the other hand, secured control of several quasi-monopolistic concerns manufacturing particular lines of the more elaborated products, such as sheets, tin plate, tubes, and wire. The abundant steel-making capacity of the first group made it easy, of course, to supply all the steel required by this second group of concerns. Furthermore, while the companies in the first group taken together were very well fortified with reserves of raw materials, the acquisition of the Lake Superior Consolidated Iron Mines furnished an enormous additional supply and gave to the Corporation an exceptional degree of strength in this respect. It also contributed to the combination one of the most important railroads in the Lake ore region.

The position taken by the Steel Corporation is that this great aggregation of property was in the main an assembling and coordination of different branches in the industry, the primary object of which was to secure greater efficiency and integration, and, of course, the saving of the payment of profits to others. The Corporation contends

that most of its constituent concerns were not in actual competition with one another, and it is disposed to minimize the restriction of competition brought about as a result of this great merger. . . .

These possible economies of consolidation, however, probably were a subordinate consideration in the formation of the Steel Corporation except those of a commercial character, i. e., those that did away with the necessity of paying a profit to somebody else on the raw materials or transportation of raw materials. The possibilities of real manufacturing economies could be but slowly realized in most cases, and, as already stated, the controlling motive in the organization of the company was to avert the competitive struggle then threatened. Meanwhile, however, the argument of economy and increased earning power was used to justify the formation of the combination, and also to facilitate the flotation of its securities.

The crude-steel (ingot) capacity of the Corporation at its organization was fully 9,400,000 tons, this representing substantially 66 per cent of the total for the country, while its capacity for the various finished products which it manufactured was approximately 7,700,000 tons, this representing about 50 per cent of the total of the country for these lines. In certain products, however, the Corporation's percentage approached a complete monopoly. Its larger percentage of crude than of finished steel is explained by the fact that some of the principal steel-making concerns did not have finishing mills for more than a portion of their output.

Roughly speaking, it may be said that the Corporation at its organization secured control of three-fifths of the steel business of the country. Its proportion of the pig-iron business was somewhat smaller, about 44 per cent, its actual capacity of this product being about 7,400,000 tons. These figures, however, do not fairly state the position of the Corporation, because of the large production by outsiders of foundry pig iron and certain special kinds of pig iron which really did not involve competition with the Corporation. The Corporation's share of the production of pig iron for strictly steel-making purposes was probably not less than 58 per cent.

The Corporation had hundreds of millions of tons of desirable Lake ore in reserves, over 50,000 acres of the choicest coking-coal lands, over 1,000 miles of railroad, exclusive of subsidiary trackage, a fleet of 112 Lake steamers and barges, not to mention large investments in docks, natural-gas and limestone properties, and other kindred branches of the industry.

Despite its enormous size the United States Steel Corporation did not secure a monopoly of the iron and steel industry as a whole, although its position in several branches was monopolistic (that is, tending toward monopoly). In the case of a few products, such as tin plate, sheets, wire, and nails, its control was at first very nearly complete, but in other branches of the industry it had a number of important rivals from the start. Thus, it will be seen that the Corporation did not include such concerns as the Pennsylvania Steel Company, the Cambria Steel Company, the Lackawanna Iron and Steel Company, Jones & Laughlins (Ltd.), the Bethlehem Steel Company, the Republic Iron and Steel Company, and the Colorado Fuel and Iron Company, not to mention several others of magnitude. At the start, moreover, the Corporation did not acquire the Tennessee Coal, Iron and Railroad Company, that concern not being taken over until 1907. . . .

COMPARISON OF VALUATIONS OF STEEL CORPORATION'S PROPERTY IN 1901 WITH ITS CAPITALIZATION

The Bureau's valuations of the Steel Corporation's property in 1901, arrived at by these different methods, may now be compared with its outstanding capitalization at that time. This is done in the following table:

COMPARISON OF ESTIMATES OF VALUE OF PROPERTY OF UNITED STATES STEEL CORPORATION AT ITS ORGANIZATION IN 1901, WITH PAR VALUE OF ITS SECURITIES

		Excess of securities over estimates
Total capitalization in April, 1901, including underlying bonds and purchase-money obligations	$1,402,846,817 [a]	
Investment in tangible property alone, indicated by historical analysis	676,000,000	$726,846,817
Value of all property, tangible and intangible, as indicated by market prices of securities of constituent concerns	793,000,000	609,846,817
Value of tangible property as estimated by departments of the business	682,000,000	720,846,817

[a] Excluding $535,407 unacquired stock in constituent concerns for which no corresponding deduction was made in the first and third estimates.

It will be seen at once that the securities issued by the Steel Corporation very greatly exceeded the indicated value of the property acquired, as established by any one of the three methods of valuation. The valuation of the tangible property arrived at by historical study, as well as that by departments of the business, shows an excess of capitalization greater than the indicated value itself. The valuation by departments, namely, $682,000,000, shows an excess of nearly $721,000,000. Even taking the indicated market value of the securities of the subsidiary concerns, namely, $793,000,000, which valuation includes the public estimate for intangible considerations as well as physical property, the excess of the Steel Corporation's capitalization was still over $609,000,000. Naturally the valuation arrived at by this method exceeded those obtained in the other two cases. . . .

Overcapitalization Indicated by Enormous Commission to Underwriting Syndicate

Very convincing evidence of a ruling tendency toward excessive capitalization is afforded by the enormous payment the Steel Corporation allowed its underwriting syndicate. This syndicate, as shown elsewhere, provided the Corporation with $25,000,000 of cash capital and also incurred expenses of about $3,000,000 either in buying scattered parcels of stock or otherwise, making its total cash expenditure $28,000,000. For this cash consideration, plus its underwriting services, the syndicate received from the Steel Corporation the enormous total of practically 1,300,000 shares of its stock (half preferred and half common) of an aggregate par value of practically $130,000,000. This stock appears to have realized approximately $90,500,000 (counting $4,000,000 unsold preferred stock at par), leaving as profit to the syndicate, over and above the $28,000,000 cash expenditure noted, a net sum of about $62,500,000. Of this, one-fifth, or $12,500,000, went to the syndicate managers for their services as such, the remaining $50,000,000 being distributed to the syndicate members. . . .

This extravagant compensation to the underwriting syndicate may fairly be cited as further evidence of a general disposition toward excessive issue of securities.

This huge commission, it should be noted, followed very liberal commissions allowed at earlier dates to the promoters of several of the various constituent companies. Assuming that of the total of, roughly, $65,000,000 par value each of preferred and common stock allowed the Steel Corporation underwriting syndicate, $28,000,000 of each class (a common basis of compensation in such cases) was for the cash consideration noted, there would be left as a commission alone $37,000,000 par value of each class, or a total of $74,000,000 par value. Adding to this the amounts allowed for similar commissions in the case of constituent companies at the dates of their respective organizations, and taking into account that the stock so issued by constituent companies received the same terms of exchange from the Steel Corporation as other stock of the same class, it would appear that of the Steel Corporation's stock in 1901 at least $150,000,000 (this including over $40,000,000 of the preferred) was issued either directly or indirectly for such promotion or underwriting services, this being over and above the enormous amounts of common stock issued as a bonus for property and for cash.

THE PUJO COMMITTEE

New York State's investigation of the insurance business in 1905, the revelations of muckrakers like Thomas Lawson, the panic of 1907, and the capture of the lower House of Congress by the Democrats in 1910, all contributed to congressional readiness to investigate the concentration of the control of money and credit in the United States. A subcommittee of the House Committee on Banking and Currency was appointed to make the inquiry. Its labors produced four large volumes of testimony and a report which was popularly known as the Pujo Committee Report after its chairman, Congressman Pujo of Louisiana. A good deal of the effectiveness of the report—and not a little of its sensational character—was owing to the skillful examination of frequently reluctant witnesses by the committee's counsel, Samuel Untermeyer of New York.

According to the majority members of the Committee, the testimony proved that there existed an identity and community of interest between a few leaders of finance, particularly those in the investment banking business.

They controlled money and credit through voting trusts and interlocking directorates. Their domination over banks, trust companies, and insurance companies gave them a control over other people's money and credit which, to the Committee, was even more serious than concentration of control in industry.

Notable among the observations of the Committee are its remarks on the effects of the spreading ownership of securities and the activities of the securities affiliates of national banks. Scattered stockholders were increasingly helpless against management and promoters; the diffusion of stock ownership tended to concentrate rather than spread economic power. The securities affiliates, identical with the banks in ownership and control, had been organized to do what the law forbade national banks to do on their own account. The affiliates engaged in underwriting and speculation and gave bank directors the opportunity to play the market with the bank's deposits.

The Committee recommended the abolition of voting trusts and interlocking directorates among national banks; the comptroller of the currency should have a veto on mergers of such institutions. Further, national banks should be forbidden to have securities affiliates, to act as the fiscal agents of corporations, or to engage in securities underwriting. Financial transactions between banks and their directors should be forbidden and the ban enforced by checking the financial activities of bank directors. The minority interest in a corporation should be protected by some plan for cumulative voting, moreover, and the Interstate Commerce Commission should be given the right to supervise all schemes for the reorganization of railroads.

Some of these proposals were embodied in the Clayton Act of 1914 and the Transportation Act of 1920; but the separation of securities affiliates and national banks did not take place until the passage of the Banking Act of 1933. And by the 1930s, in fact, the power of the great investment houses was largely spent. The Pujo Committee report was printed as House Document No. 504, 62d Congress, 2d Session (Washington, 1913).

Report on Concentration of Control of Money and Credit

BY THE PUJO COMMITTEE

Section 1.—Two Kinds of Concentration

It is important at the outset to distinguish between concentration of the *volume of money* in the three central reserve cities of the national banking system—New York, Chicago, and St. Louis—and concentration of *control* of this volume of money and consequently of credit into fewer and fewer hands. They are very different things. An increasing proportion of the banking resources of the country might be concentrating at a given point at the same time that *control* of such resources at that point was spreading out in a wider circle.

Concentration of *control* of money, and consequently of credit, more particularly in the city of New York, is the subject of this inquiry. With concentration of the *volume* of money at certain points, sometimes attributed, so far as it is unnatural, to the provision of the national-banking act permitting banks in the 47 other reserve cities to deposit with those in the three central reserve cities half of their reserves, we are not here directly concerned.

Whether under a different currency system the resources in our banks would be greater or less is comparatively immaterial if they continued to be controlled by a small group. We therefore regard the argument presented to us to show that the growth of concentration of the volume of resources in the banks of New York City has been at a rate slightly less than in the rest of the country, if that be the fact, as not involved in our inquiry. It should be observed in this connection, however, that the concentration of control of credit is by no means confined to New York City, so that the argument is inapplicable also in this respect.

Section 2.—Fact of Increasing Concentration Admitted

The resources of the banks and trust companies of the city of New York in 1911 were $5,121,245,-

175, which is 21.73 per cent of the total banking resources of the country as reported to the Comptroller of the Currency. This takes no account of the unknown resources of the great private banking houses whose affiliations to the New York financial institutions we are about to discuss.

That in recent years concentration of control of the banking resources and consequently of credit by the group to which we will refer has grown apace in the city of New York is defended by some witnesses and regretted by others, but acknowledged by all to be a fact.

As appears from statistics compiled by accountants for the committee, in 1911, of the total resources of the banks and trust companies in New York City, the 20 largest held 42.97 per cent; in 1906, the 20 largest held 38.24 per cent of the total; in 1901, 34.97 per cent.

Section 3.—Processes of Concentration

This increased concentration of control of money and credit has been effected principally as follows:

First, through consolidations of competitive or potentially competitive banks and trust companies, which consolidations in turn have recently been brought under sympathetic management.

Second, through the same powerful interests becoming large stockholders in potentially competitive banks and trust companies. This is the simplest way of acquiring control, but since it requires the largest investment of capital, it is the least used, although the recent investments in that direction for that apparent purpose amount to tens of millions of dollars in present market values.

Third, through the confederation of potentially competitive banks and trust companies by means of the system of interlocking directorates.

Fourth, through the influence which the more powerful banking houses, banks, and trust companies have secured in the management of insurance companies, railroads, producing and trading corporations, and public utility corporations, by means of stockholdings, voting trusts, fiscal agency contracts, or representation upon their boards of directors, or through supplying the money requirements of railway, industrial, and public utilities corporations and thereby being enabled to participate in the determination of their financial and business policies.

Fifth, through partnership or joint account arrangements between a few of the leading banking houses, banks, and trust companies in the purchase of security issues of the great interstate corporations, accompanied by understandings of recent growth—sometimes called "banking ethics"—which have had the effect of effectually destroying competition between such banking houses, banks, and trust companies in the struggle for business or in the purchase and sale of large issues of such securities.

Section 4.—Agents of Concentration

It is a fair deduction from the testimony that the most active agents in forwarding and bringing about the concentration of control of money and credit through one or another of the processes above described have been and are—

J. P. Morgan & Co.
First National Bank of New York.
National City Bank of New York.
Lee, Higginson & Co., of Boston and New York.
Kidder, Peabody & Co., of Boston and New York.
Kuhn, Loeb & Co.

We shall describe,

First, the members of this group separately, showing the part of each in the general movement and the ramifications of its influence;

Second, the interrelations of members of the group; and

Third, their combined influence in the financial and commercial life of the country as expressed in the greater banks, trust companies and insurance companies, transportation systems, producing and trading corporations, and public utility corporations.

Section 5.—J. P. Morgan & Co

Organization.—J. P. Morgan & Co. of New York and Drexel & Co. of Philadelphia are one and the same firm, composed of 11 members: J. P. Morgan, E. T. Stotesbury, Charles Steele, J. P. Morgan, jr., Henry P. Davison, Arthur E. Newbold, William P. Hamilton, William H. Porter, Thomas W. Lamont, Horatio G. Lloyd, and Temple Bowdoin. George W. Perkins was a member from 1902 until January 1, 1911. As a firm, it is a partner in the London banking house of J. S. Morgan & Co. and the Paris house of Morgan, Harjes & Co.

General character of business.—It accepts deposits and pays interest thereon and does a general banking business. It is a large lender of money on the New York Stock Exchange. More especially it acts as a so-called issuing house for securities; that is, as purchaser or underwriter or fiscal agent, it takes from the greater corporations their issues of securities and finds a market for them either amongst other banking houses, banks and trust companies, or insurance companies, or the general public.

Resources, deposits, and profits.—Neither the resources and profits of the firm nor its sources of profit have been disclosed. Nor has your committee been able to ascertain its revenues from private purchases or sales of the securities of interstate corporations, nor from such of them as it controls under voting trusts, exclusive fiscal agency agreements, or other arrangements or influences, nor the identity of the banks, trust companies, life insurance companies, or other corporations that have participated in its security issues except where they were for joint account.

On November 1, 1912, it held deposits of $162,491,819.65, of which $81,968,421.47 was deposited by 78 interstate corporations on the directorates of 32 of which it was represented. The committee is unable to state the character of its affiliations, if any, with the 46 corporations on the directorates of which it is unrepresented by one or more members of the firm, as their identity was not disclosed.

Security issues marketed.—During the years 1902 to 1912, inclusive, the firm directly procured the public marketing of security issues of corporations amounting in round numbers to $1,950,000,000, including only issues of interstate corporations. The volume of securities privately issued or marketed by it, and of intrastate corporations, does not appear. Nor is there information available of the extent to which they participated as underwriters in issues made by banks or banking houses other than those shown on the charts and lists in evidence. . . .

Sec. 11.—Interrelations of Members of the Group

Morgan & Co. and First National Bank.—Mr. Morgan, head of the firm of Morgan & Co., of New York, and Drexel & Co., of Philadelphia, and Mr. Baker, head officer and dominant power in the First National Bank since shortly after its organization, have been close friends and business associates from almost the time they began business. . . .

Next to Mr. Baker, Morgan & Co., is the largest stockholder of the First National, owning 14,500 shares, making the combined holdings of Mr. Baker and his son and Morgan & Co. about 40,000 shares out of 100,000 outstanding—a joint investment, based on the market value, of $41,000,000 in this one institution.

Three of the Morgan partners—Mr. Morgan himself, Mr. Davison, and Mr. Lamont—are directors of the First National, and Mr. Morgan is a member of the executive committee of four, which has not, however, been active and has rarely met.

The First National has been associated with Morgan & Co. in the control of the Bankers Trust Co. As before stated, when the company was organized, its entire capital stock was vested in George W. Perkins, H. P. Davison, and Daniel G. Reid as voting trustees. Mr. Perkins was then a Morgan partner and Mr. Davison and Mr. Reid were, respectively, vice president and a large stockholder of the First National. Mr. Davison, who has since become a Morgan partner, and Mr. Reid have continued as such trustees. Mr. Perkins has been succeeded by the attorney of the company, who is also Mr. Davison's personal counsel. Mr. Davison and Mr. Lamont, of the Morgan firm, and Mr. Hine, president, Mr. Norton, vice president, and Mr. Hepburn, member of the executive committee of the First National, are co-directors of the Bankers Trust Co., Mr. Hine being also a member of its executive committee.

The First National likewise has been associated with Morgan & Co. in the control of the Guaranty Trust Co., Mr. Baker of the former being joined with Mr. Davison and Mr. Porter of the latter as voting trustees.

In the Astor Trust Co., controlled by Morgan & Co. through the Bankers Trust Co., Mr. Baker and Mr. Hine, chief officers of the First National, are directors.

In the Liberty National Bank, controlled by Morgan & Co. through the Bankers Trust Co., Mr. Hine is also a director. . . .

But nothing demonstrates quite so clearly the close and continuing cooperation between Morgan & Co. and the First National Bank as their joint purchases and underwritings of corporate securities. Since 1903 they have purchased for their joint account, generally with other associates, 70 odd security issues of 30 different corporations, aggregating approximately $1,080,000,000.

It is thus seen that through stockholdings, interlocking directors, partnership transactions, and other relations, Morgan & Co. and the First National Bank are locked together in a complete and enduring community of interest. Their relations in this regard are, indeed, a commonplace in the financial world. Thus, Mr. Schiff being asked whether he knew "the close relations between Messrs. Morgan and the First National Bank," replied "I do."

Morgan & Co., First National Bank, and National City Bank.—Mr. Stillman, as president, chairman of the board of directors and largest stockholder, for a long time has held a position of dominance in the National City Bank correspond-

ing to Mr. Morgan's in his firm and Mr. Baker's in the First National Bank.

For many years while Morgan & Co. and the First National Bank were in close business union the National City Bank apparently occupied a position of independence. More recently, however, it has been drawn into the community of interest long existing between the two first named, as is evidenced by a series of important transactions.

First. Within three or four years Morgan & Co. acquired $1,500,000 par value of the capital stock of the National City Bank, representing an investment at the stock's present market price of $6,000,000, and J. P. Morgan, jr., became a director.

Second. In 1910 Mr. Morgan, in conjunction with both Mr. Baker, his long-time associate, and Mr. Stillman, head of the National City Bank, purchased from Mr. Ryan and the Harriman estate $51,000, par value, of the stock of the Equitable Life Assurance Society, paying therefor what Mr. Ryan originally paid with interest at 5 per cent—about $3,000,000—the investment yielding less than one-eighth of 1 per cent. Mr. Stillman and Mr. Baker each agreed to take a one-fourth interest in the purchase if requested to do so by Mr. Morgan. No such request has yet been made by him.

No sufficient reason has been given for this transaction, nor does any suggest itself, unless it was the desire of these gentlemen to control the investment of the $504,000,000 of assets of this company, or the disposition of the bank and trust company stocks which it held and was compelled by law to sell within a stated time. . . .

Third, about a year later Mr. Stillman and Mr. Baker, pursuant to an understanding between them and J. P. Morgan & Co., purchased approximately one-half of the holdings of the Mutual and Equitable Life insurance companies in the stock of the National Bank of Commerce, amounting altogether to some 42,200 shares. Mr. Baker being a member of the finance committee of the Mutual, it was arranged that he should purchase the Equitable's stock—about 15,250 shares—and Mr. Stillman the Mutual's. Pursuant to the understanding, Mr. Stillman turned over 10,000 shares to Morgan & Co., who already owned 7,000 shares. Mr. Baker kept 5,000 shares, turned over 5,000 to the First Security Co., and distributed the rest among various persons; 3,000 shares were allotted by Mr. Stillman and Mr. Baker to Kuhn, Loeb & Co. . . .

The acquisition by Morgan & Co. of a large block of stock of the National City Bank with representation upon its board of directors, and the transactions that followed, in which those two institutions and the First National Bank were joined, as above set forth, show a unison of interest and a continuity of cooperation between the three, such as for many years previously had existed between two of them—Morgan & Co. and the First National.

Combined power of Morgan & Co., the First National, and National City Banks.—In earlier pages of the report the power of these three great banks was separately set forth. It is now appropriate to consider their combined power as one group.

First, as regards banking resources:

The resources of Morgan & Co. are unknown; its deposits are $163,000,000. The resources of the First National Bank are $150,000,000 and those of its appendage, the First Security Co., at a very low estimate, $35,000,000. The resources of the National City Bank are $274,000,000; those of its appendage, the National City Co., are unknown, though the capital of the latter is alone $10,000,000. Thus, leaving out of account the very considerable part which is unknown, the institutions composing this group have resources of upward of $632,000,000, aside from the vast individual resources of Messrs. Morgan, Baker and Stillman.

Further, as heretofore shown, the members of this group, through stock holdings, voting trusts, interlocking directorates, and other relations, have become in some cases the absolutely dominant factor, in others the most important single factor, in the control of the following banks and trust companies in the city of New York:

(*a*) Bankers Trust Co., resources	$205,000,000
(*b*) Guaranty Trust Co., resources	232,000,000
(*c*) Astor Trust Co., resources	27,000,000
(*d*) National Bank of Commerce, resources	190,000,000
(*e*) Liberty National Bank, resources	29,000,000
(*f*) Chase National Bank, resources	150,000,000
(*g*) Farmers Loan & Trust Co., resources	135,000,000
in all, 7, with total resources of	968,000,000

which, added to the known resources of members of the group themselves, makes ..	$1,600,000,000
as the aggregate of known banking resources in the city of New York under their control or influence.	
If there be added also the resources of the Equitable Life Assurance Society controlled through stock ownership of J. P. Morgan	504,000,000
the amount becomes	2,104,000,000

Second, as regards the greater transportation systems.

(*a*) Adams Express Co.: Members of the group have two representatives in the directorate of this company.

(*b*) Anthracite-coal carriers: With the exception of the Pennsylvania and the Delaware & Hudson, the Reading, the Central of New Jersey (a majority of whose stock is owned by the Reading), the Lehigh Valley, the Delaware, Lackawanna & Western, the Erie (controlling the New York, Susquehanna & Western), and the New York, Ontario & Western, afford the only transportation outlets from the anthracite coal fields. As before stated, they transport 80 per cent of the output moving from the mines and own or control 88 per cent of the entire deposits. The Reading, as now organized, is the creation of a member of this banking group—Morgan & Co. One or more members of the group are stockholders in that system and have two representatives in its directorate; are stockholders of the Central of New Jersey and have four representatives in its directorate; are stockholders of the Lehigh Valley and have four representatives in its directorate; are stockholders of the Delaware, Lackawanna & Western and have nine representatives in its directorate; are stockholders of the Erie and have four representatives in its directorate; have two representatives in the directorate of the New York, Ontario & Western; and have purchased or marketed practically all security issues made by these railroads in recent years.

(*c*) Atchison, Topeka & Santa Fe Railway: One or more members of the group are stockholders and have two representatives in the directorate of the company; and since 1907 have purchased or procured the marketing of its security issues to the amount of $107,244,000.

(*d*) Chesapeake & Ohio Railway: Members of the group have two directors in common with this company, and since 1907, in association with others, have purchased or procured the marketing of its security issues to the amount of $85,000,000.

(*e*) Chicago Great Western Railway: Members of the group absolutely control this system through a voting trust.

(*f*) Chicago, Milwaukee & St. Paul Railway: Members of the group have three directors or officers in common with this company, and since 1909, in association with others, have purchased or procured the marketing of its security issues to the amount of $112,000,000.

(*g*) Chicago & Northwestern Railway: Members of the group have three directors in common with this company, and since 1909, in association with others, have purchased or procured the marketing of its security issues to the amount of $31,250,000.

(*h*) Chicago, Rock Island & Pacific Railway: Members of the group have four directors in common with this company.

(*i*) Great Northern Railway: One or more members of the group are stockholders of and have marketed the only issue of bonds made by this company.

(*j*) International Mercantile Marine Co.: A member of the group organized this company, is a stockholder, dominates it through a voting trust, and markets its securities.

(*k*) New York Central Lines: One or more members of the group are stockholders and have four representatives in the directorate of the company, and since 1907 have purchased from or marketed for it and its principal subsidiaries security issues to the extent of $343,000,000, one member of the group being the company's sole fiscal agent.

(*l*) New York, New Haven & Hartford Railroad: One or more members of the group are stockholders and have three representatives in the directorate of the company, and since 1907 have purchased from or marketed for it and its principal subsidiaries security issues in excess of $150,000,000, one member of the group being the company's sole fiscal agent.

(*m*) Northern Pacific Railway: One member of the group organized this company and is its fiscal agent, and one or more members are stockholders and have six representatives in its directorate and three in its executive committee.

(*n*) Southern Railway: Through a voting trust, members of the group have absolutely controlled this company since its reorganization in 1894.

(*o*) Southern Pacific Co.: Until its separation

from the Union Pacific, lately ordered by the Supreme Court of the United States, members of the group had three directors in common with this company.

(*p*) Union Pacific Railroad: Members of the group have three directors in common with this company.

Third, as regards the greater producing and trading corporations.

(*a*) Amalgamated Copper Co.: One member of the group took part in the organization of the company, still has one leading director in common with it, and markets its securities.

(*b*) American Can Co.: Members of the group have two directors in common with this company.

(*c*) J. I. Case Threshing Machine Co.: The president of one member of the group is a voting trustee of this company and the group also has one representative in its directorate and markets its securities.

(*d*) William Cramp Ship & Engine Building Co.: Members of the group absolutely control this company through a voting trust.

(*e*) General Electric Co.: A member of the group was one of the organizers of the company, is a stockholder, and has always had two representatives in its directorate, and markets its securities.

(*f*) International Harvester Co.: A member of the group organized the company, named its directorate and the chairman of its finance committee, directed its management through a voting trust, is a stockholder, and markets its securities.

(*g*) Lackawanna Steel Co.: Members of the group have four directors in common with the company and, with associates, marketed its last issue of securities.

(*h*) Pullman Co.: The group has two representatives, Mr. Morgan, and Mr. Baker, in the directorate of this company.

(*i*) United States Steel Corporation: A member of the group organized this company, named its directorate, and the chairman of its finance committee (which also has the powers of an executive committee) is its sole fiscal agent and a stockholder, and has always controlled its management.

Fourth, as regards the greater public utility corporations.

(*a*) American Telephone & Telegraph Co.: One or more members of the group are stockholders, have three representatives in its directorate, and since 1906, with other associates, have marketed for it and its subsidiaries security issues in excess of $300,000,000.

(*b*) Chicago Elevated Railways: A member of the group has two officers or directors in common with the company, and in conjunction with others marketed for it in 1911 security issues amounting to $66,000,000.

(*c*) Consolidated Gas Co. of New York: Members of the group control this company through majority representation on its directorate.

(*d*) Hudson & Manhattan Railroad: One or more members of the group marketed and have large interests in the securities of this company, though its debt is now being adjusted by Kuhn, Loeb & Co.

(*e*) Interborough Rapid Transit Co. of New York: A member of the group is the banker of this company, and the group has agreed to market its impending bond issue of $170,000,000.

(*f*) Philadelphia Rapid Transit Co.: Members of the group have two representatives in the directorate of this company.

(*g*) Western Union Telegraph Co.: Members of the group have seven representatives in the directorate of this company.

Summary of directorships held by these members of the group.—Exhibit 134-B shows the combined directorships in the more important enterprises held by Morgan & Co., the First National Bank, the National City Bank and the Bankers and Guaranty Trust Cos., which latter two, as previously shown, are absolutely controlled by Morgan & Co. through voting trusts. It appears there that firm members or directors of these institutions together hold:

One hundred and eighteen directorships in 34 banks and trust companies having total resources of $2,679,000,000 and total deposits of $1,983,000,000.

Thirty directorships in 10 insurance companies having total assets of $2,293,000,000.

One hundred and five directorships in 32 transportation systems having a total capitalization of $11,784,000,000 and a total mileage (excluding express companies and steamship lines) of 150,200.

Sixty-three directorships in 24 producing and trading corporations having a total capitalization of $3,339,000,000.

Twenty-five directorships in 12 public utility corporations having a total capitalization of $2,150,000,000.

In all, 341 directorships in 112 corporations having aggregate resources or capitalization of $22,245,000,000.

The members of the firm of J. P. Morgan & Co. hold 72 directorships in 47 of the greater corporations; George F. Baker, chairman of the board,

F. L. Hine, president, and George F. Baker, jr., and C. D. Norton, vice presidents, of the First National Bank of New York, hold 46 directorships in 37 of the greater corporations; and James Stillman, chairman of the board, Frank A. Vanderlip, president, and Samuel McRoberts, J. T. Talbert, W. A. Simonson, vice presidents, of the National City Bank of New York, hold 32 directorships in 26 of the greater corporations; making in all for these members of the group 150 directorships in 110 of the greater corporations.

We are not unmindful of the important and valuable part that the gentlemen who dominate this inner group and their allies have played in the development of our prosperity. There should be no disposition to hamper their activities if a situation can be brought about where their capital, prestige, and connections can be independently employed in free and open competition. Without the aid of their invaluable enterprise and initiative and their credit and financial power the money requirements of our vast ventures could not have been financed in the past, and much less so in the future.

It is also recognized that cooperation between them is frequently valuable, and often essential to the public interest as well as their own, in order to permit of the furnishing or guaranteeing of the requirements of our vast enterprises of the present day and of the still larger ones that are probably in store for us.

But these considerations do not involve their taking control of the resources of our financial institutions or of the savings of the people in our life insurance companies nor that they shall be able to levy tribute upon every large enterprise; nor that commercial credits or stock exchange markets and values shall wait upon their beck and call. Other countries finance enterprises quite as important as our own without employing these methods.

Far more dangerous than all that has happened to us in the past in the way of elimination of competition in industry is the control of credit through the domination of these groups over our banks and industries. It means that there can be no hope of revived competition and no new ventures on a scale commensurate with the needs of modern commerce or that could live against existing combinations, without the consent of those who dominate these sources of credit. A banking house that has organized a great industrial or railway combination or that has offered its securities to the public, is represented on the board of directors and acts as its fiscal agent, thereby assumes a certain guardianship over that corporation. In the ratio in which that corporation succeeds or fails the prestige of the banking house and its capacity for absorbing and distributing future issues of securities is affected. If competition is threatened it is manifestly the duty of the bankers from their point of view of the protection of the stockholders, as distinguished from the standpoint of the public, to prevent it if possible. If they control the sources of credit they can furnish such protection. It is this element in the situation that unless checked is likely to do more to prevent the restoration of competition than all other conditions combined. This power standing between the trusts and the economic forces of competition is the factor most to be dreaded and guarded against by the advocates of revived competition. . . .

The acts of this inner group, as here described, have nevertheless been more destructive of competition than anything accomplished by the trusts, for they strike at the very vitals of potential competition in every industry that is under their protection, a condition which if permitted to continue, will render impossible all attempts to restore normal competitive conditions in the industrial world.

It accordingly behooves us to see to it that the bankers who require and are bidding for the money held by our banks, trust companies, and life insurance companies to use in their ventures are not permitted to control and utilize these funds as though they were their own.

LABOR IN AMERICA

OLIVER WENDELL HOLMES

In 1904, when New York State revised its code of factory legislation, the hours of work for bakers were set at not more than ten hours a day or sixty hours a week. A Utica bakeshop owner, sentenced to pay a $50 fine for a second violation of the law, brought the case before the Supreme Court on the constitutional issue.

The Court divided five to four, with two separate dissenting opinions, one by Justices

Harlan, White, and Day, the other, and more celebrated, by Justice Oliver Wendell Holmes (1841–1935). The majority opinion declared the right to make a contract was part of the "liberty" protected by the Fourteenth Amendment. That liberty included the prerogatives of purchasing and selling labor except as controlled by a legitimate exercise of the state's police power. Since a baker's work could not be shown to be unhealthful, there was no ground for restricting hours of labor in that trade; hence the New York law was an "unreasonable, unnecessary and arbitrary" exercise of the police power, and so void under the Federal Constitution.

Both dissenting opinions stressed the broad discretion of state legislatures. In borderline cases of the exercise of the police power, the balance of doubt must be resolved in the state's favor; the wisdom of legislative action is no concern of the Supreme Court. Turning to the realm of fact, the three dissenters argued jointly that baking was an unhealthful occupation. Most countries of Western Europe have the legal ten-hour day, and New York certainly could, in the interests of the bakers' health, restrict their freedom to contract to work as long as they pleased. Finally, except in instances where the Federal Constitution has been violated "beyond all question," it is the duty of the Supreme Court to sustain state laws. The scope of the Fourteenth Amendment is being enlarged "far beyond its original purpose."

In his dissent, Holmes casts aside legal and factual detail to strike at the majority's major premise. Freedom of contract is not an absolute, it is a developing premise. The business of the Supreme Court is the interpretation of the law, not the canonization of social philosophies. And Holmes refers specifically to the Spencerian evolutionary doctrines which William Graham Sumner had succeeded in writing into American social attitudes a generation previously. It took still another generation before those attitudes came to be questioned seriously. After 1937, Holmes's famous dissents became the backbone of the American legal system, certainly as regards the relations between American legislatures and problems of social welfare.

The case and decision are reported in 198 United States 45 (April 17, 1905).

Dissenting Opinion in Lochner v. *New York*

BY OLIVER WENDELL HOLMES

MR. JUSTICE HOLMES DISSENTING:

I regret sincerely that I am unable to agree with the judgment in this case, and that I think it my duty to express my dissent.

This case is decided upon an economic theory which a large part of the country does not entertain. If it were a question whether I agreed with that theory, I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law. It is settled by various decisions of this court that state constitutions and state laws may regulate life in many ways which we as legislators might think as injudicious, or if you like as tyrannical, as this, and which, equally with this, interfere with the liberty to contract. Sunday laws and usury laws are ancient examples. A more modern one is the prohibition of lotteries. The liberty of the citizen to do as he likes so long as he does not interfere with the liberty of others to do the same, which has been a shibboleth for some well-known writers, is interfered with by school laws, by the Postoffice, by every state or municipal institution which takes his money for purposes thought desirable, whether he likes it or not. The 14th Amendment does not enact Mr. Herbert Spencer's Social Statics. The other day we sustained the Massachusetts vaccination law. *Jacobson* v. *Massachusetts*, 197 U.S. 11, *ante*, 643, 25 Sup. Ct. Rep. 358. United States and state statutes and decisions cutting down the liberty to contract by way of combination are familiar to this court. *Northern Securities Co.* v. *United*

States, 193 U.S. 197, 48 L. ed. 679, 24 Sup. Ct. Rep. 436. Two years ago we upheld the prohibition of sales of stock on margins, or for future delivery, in the Constitution of California. *Otis* v. *Parker*, 187 U.S. 606, 47 L. ed. 323, 23 Sup. Ct. Rep. 168. The decision sustaining an eight-hour law for miners is still recent. *Holden* v. *Hardy*, 169 U.S. 366, 42 L. ed. 780, 18 Sup. Ct. Rep. 383. Some of these laws embody convictions or prejudices which judges are likely to share. Some may not. But a Constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the state or of *laissez faire*. It is made for people of fundamentally differing views, and the accident of our finding certain opinions natural and familiar, or novel, and even shocking, ought not to conclude our judgment upon the question whether statutes embodying them conflict with the Constitution of the United States.

General propositions do not decide concrete cases. The decision will depend on a judgment or intuition more subtle than any articulate major premise. But I think that the proposition just stated, if it is accepted, will carry us far toward the end. Every opinion tends to become a law. I think that the word "liberty," in the 14th Amendment, is perverted when it is held to prevent the natural outcome of a dominant opinion, unless it can be said that a rational and fair man necessarily would admit that the statute proposed would infringe fundamental principles as they have been understood by the traditions of our people and our law. It does not need research to show that no such sweeping condemnation can be passed upon the statute before us. A reasonable man might think it a proper measure on the score of health. Men whom I certainly could not pronounce unreasonable would uphold it as a first instalment of a general regulation of the hours of work. Whether in the latter aspect it would be open to the charge of inequality I think it unnecessary to discuss.

SAMUEL GOMPERS

SAMUEL GOMPERS opposed Supreme Court decisions limiting the activities of organized labor. Yet his social attitude was so like that of the judges whose decisions he resented that the examples of his thinking printed here might have made part of the utterances of any "conservative" majority opinion of the Court.

Still, for all the similarity in phrase, the approach was subtly different. Conservatives opposed state intervention to protect labor because such intervention was in itself contrary to social truth, the philosophy of evolutionary laissez faire. Gompers opposed state action because government was in the hands of those essentially hostile to the aspirations of labor. Hence, protective legislation would end as strait-jacket legislation; it would hamper labor organization in its work and make the workingman completely subject to his enemies, who controlled the state.

Such an attitude was natural to a man whose experience had been that of Samuel Gompers (1850–1924). His parents, who were Dutch Jews, left the Netherlands for England where the elder Gompers practiced the cigarmaker's craft. The family came to American in 1863, when the Civil War was stimulating British emigration to the United States. In New York, Samuel Gompers turned to his father's trade, joined the Cigarmaker's Union, and helped organize the craft on militant trade union lines.

In 1881, Gompers was one of the leaders active in forming the Federation of Organized Trades and Labor Unions, when it became evident that membership in the Knights of Labor tended to restrict craft autonomy. In 1886, again under Gompers's leadership, the Federation was reformed into the American Federation of Labor. He became its president and except for a single year remained at the head of the A. F. of L. until his death.

Under Gompers, the A. F. of L. attempted to combine autonomy and union among the separate crafts. It insisted on the principle of a single union organization within each trade and avoided all political action except strenuous lobbying for particular measures. On the economic front, the A. F. of L. sought to organize the unorganized, pushed the campaign

for the union label, and fostered boycotts of firms unfair to union labor. By 1915, however, the use of most of labor's effective weapons had been denied by the courts. The boycott was outlawed; strikes were regularly broken by the injunction; and labor had been declared a commodity within the meaning of the Anti-Trust law of 1890.

Government had shown itself hostile to labor, then, but labor's remedy was not to make government friendly through the elective process or by working for socialism. Labor, Gompers argued to the day of his death, must remain faithful to the philosophy of "voluntarism." It must fight for freedom to organize, to strike, and to make collective agreements with employers. Free unions would raise wages and improve workers' living standards. No program of social insurance could do as much. Such a program, like proposals for compulsory arbitration, was a real threat to labor's freedom. Once the camel of government intervention thrust its nose inside the tent flap, free, independent, and voluntary trade unionism was doomed.

It was not until the nineteen thirties that the A. F. of L. indicated its willingness to accept government intervention. Even so, it never sought alliance with a political party, as was the case of its great rival, the Congress of Industrial Organizations.

The two selections reprinted here are from *The American Federationist*, the official organ of the A. F. of L. The first appeared in the February, 1915, issue; the second in the issue of January, 1917.

Two Editorials from the American Federationist

BY SAMUEL GOMPERS

1. Self-Help Is the Best Help

Whither are we drifting?

There is a strange spirit abroad in these times. The whole people is hugging the delusion that law is a panacea. Whatever the ill or the wrong or the ideal, immediately follows the suggestion—enact a law. . . .

Whether as a result of laziness or incompetency there is a steadily growing disposition to shift responsibility for personal progress and welfare to outside agencies.

What can be the result of this tendency but the softening of the moral fibre of the people? When there is unwillingness to accept responsibility for one's life and for making the most of it there is a loss of strong, red-blooded, rugged independence and will power to grapple with the wrong of the world and to establish justice through the volition of those concerned.

Many of the things for which many are now deludedly demanding legislative regulation should and must be worked out by those concerned. Initiative, aggressive conviction, enlightened self-interest, are the characteristics that must be dominant among the people if the nation is to make substantial progress toward better living and higher ideals. Legislation can not secure these characteristics but it can facilitate or impede them. Laws can not create and superimpose the ideals sought, they can only free people from the shackles and give them a chance to work out their own salvation.

Many conscientious and zealous persons think that every evil, every mistake, every unwise practice, can be straightway corrected by law.

There is among some critics of prevailing conditions a belief that legislation is a short-cut to securing any desired reform—merely enact a law and the thing is done.

Now enacting a law and securing the realization of the purpose the law is aimed to secure are two vastly different matters. Of the making of many laws there is apparently no end, for legislative and congressional mills yearly grind out thousands. But for the enforcement of these laws there is little effort unless enforcement is demanded by public opinion or by interested groups of citizens. As a rule the laws affect conditions and people little, and society is glad to escape with so little damage.

A law that really is a law, is a result of public thought and conviction and not a power to create thought or conviction. The enforcement of the law follows naturally because the people will it. To enact a law with the hope and for the purpose of educating the people is to proceed by indirection and to waste energy. It is better to begin work

for securing ideals by directing activity first for fundamentals. Frequently, when the people concerned become mindful and eager for what will promote their own welfare, they find that they are much more able to secure what will benefit and adapt their methods to changing circumstances than is any law or the administration of that law.

The virile spirit that has given our young nation a foremost place among the nations of the world is the spirit of aggressive initiative and independence, the ability of our people to grapple with hard problems and to solve them for their own benefit and for the benefit of the nation. We must not as a nation allow ourselves to drift upon a policy of excessive regulation by legislation—a policy that eats at and will surely undermine the very foundations of personal freedom.

These principles and facts apply to the working people, the organized wage earners, as fully and completely as to any other group or to the people as a whole. Labor seeks legislation from the hands of government for such purposes only as the individuals or groups of workers can not do for themselves, and for the freedom and the right to exercise their normal activities in the industrial and social struggle for the protection and promotion of their rights and interests and for the accomplishment of their highest and best ideals. Thus Labor asks legislation providing for the abolition of child labor; security and safety in life and work; sanitation in factory, shop, mill and home; workmen's compensation in preference to employers' liability; the regulation of convict labor and the like; the enactment of laws such as the proposed seamen's bill and the labor provisions of the Clayton law already enacted; the regulation of the issuance of injunctions and the trials of contempt cases; these latter work for freedom, for right, for justice. These reforms the workers and groups can not secure without law, because they are governmental functions and can not be accomplished by private agencies. In a word, the labor movement undertakes to secure from government, both state and nation, the enactment of laws for the accomplishment of such things as the working people can not secure or enforce for themselves.

We know no better way of illustrating this thought than by quoting the report we made to the Denver (1908) Convention, on economic power, as follows:

"The trade union movement, true to its history, its traditions and aspirations has done, is doing, and will undoubtedly do more in the interests of mankind to humanize the human family than all other agencies combined. Devoting primarily our efforts to the membership of our organizations, yet there is not a declaration which we can make, or an action we can take for their protection and their advancement but which will have its correspondingly beneficent influence upon the unorganized workers and upon the masses of the people. Resistance to wage reductions by union workers is the check upon still further encroachments upon the unorganized. To secure an advance either in wages or to prevent a reduction of hours of labor by union workers is to bring these advantages correspondingly to the unorganized toilers. We can not obtain legislative enactment to protect the rights and interests of the organized, but that it must equally include all our people.

"Our movement is the barrier and check to aggression and tyranny on the one hand; on the other, it is the leaven for the common uplift of all. It is therefore that the economic power and influence of the labor movement is the most potent. We have exercised, and we shall continue to exercise, our political power; and that, too, without becoming politically partisan. We shall aim to select our law-making bodies, national, state, and municipal, men from the ranks of labor; men who are earnest, honest, intelligent, and sincerely devoted to the cause of the toilers and the people generally.

"In whatever form or shape the men of labor may exercise their energies and activities, in inception and result the effort is for the common uplift of all, though our political activities must of necessity be primarily devoted to acquire for our economic movement its freest and fullest natural development.

"Our movement has not asked and will not ask at the hands of government anything which the workers can and should do for themselves. The movement of labor is founded upon the principle that that which we do for ourselves, individually and collectively, is done best. It is therefore that the exercise by the workers of their economic power is after all the greatest and the most potent power which they can wield.

"The possession of great economic power does not imply its abuse, but rather its right use. Consciousness and possession of economic power bring with them responsibility, wisdom, and care in its exercise. These have made the labor movement of our country a tower of strength inspiring the confidence and respect of the masses of our workers as well as the sympathetic support of students, thinkers and liberty-loving people.

"The labor union movement as understood and

expressed by the American Federation of Labor is the historic struggle of the toilers; it has brought light and hope into the factory, the workshop, into the lives and homes of our workers; it has borne the brunt of battle and bears the honorable scars of past battles. It embodies Labor's hopes and aspirations for a brighter and a better day, not only for the future, but for today, tomorrow, and tomorrow's tomorrow, each a better day than the one which has gone before."

2. Not even Compulsory Benevolence Will Do

During the month of December a National Conference on Social Insurance was held in Washington, D.C. The conference was arranged by the Federal Bureau of Labor Statistics of the Department of Labor. As the advocates of social insurance have of late pressed their theories upon public attention, this conference was of importance and interest. There were many viewpoints presented and many theories advanced. It was evident that there were represented two diametrically different groups of thinkers, those who were looking upon the problems of the wage-earners from the outside and viewing them with sympathetic concern and benevolent thought, and those who were looking upon the problems of wage-earners through the experience and eyes of wage-earners. The one group wanted to do something *for wage-earners* to relieve their suffering and need. The other group wanted to do something *for itself*, to solve its own problems and to establish itself in a position to take care of the emergencies of life.

After all had presented their thoughts and courses of action it was evident that the consensus of opinion was in favor of maintaining voluntary institutions. This fundamental fact stood out paramount, that social insurance can not remove or prevent poverty. It does not get at the causes of social injustice. The only agency that does get at the causes of poverty is the organized labor movement. Social insurance in its various phases of sickness insurance, unemployment insurance, death benefits, etc., only provides the means for tiding over an emergency. The labor movement aims at constructive results—higher wages, which mean better living for the worker and those dependent upon him; better homes, better clothing, better food, better opportunities and shorter hours of work, which mean relief from over-fatigue, time for recuperation, workers with better physical development and with sustained producing power. Better physical development is in itself an insurance against illness and a certain degree of unemployment. The short hour workmen with higher wages become better citizens; better able to take care of themselves.

The real permanent benefits that come into the lives of the workers, those which are felt from day to day and not merely during times of special need, are brought about by the trade union movement. The trade union movement represents the organized economic power of the workers. Through the development, the organization and the exercise of this economic power the workers themselves establish higher standards of living and work. Although this economic power from the superficial standpoint seems indirect, it is in reality the most potent and the most direct social insurance the workers can establish. It is the only agency that really guarantees to them protection against the results of the eventualities of life and give them a feeling of security.

The trade union movement does not detract from the power or the opportunity of wage-earners. On the other hand, methods for providing social insurance delegate to outside authorities some of the powers and opportunities that formerly belonged to wage-earners. At first only a limited amount of authority and power may be delegated to the governmental agent, but the application of even that little power constitutes a limitation upon the rights and freedom of wage-earners and creates a situation which has in it the germs of tyranny and autocratic power.

Governmental power grows by what it feeds upon. Give an agency any political power and it at once tries to reach out after more. Its effectiveness depends upon increasing power. This has been demonstrated by the experience of the railroad workers in the enactment of the Adamson law. When Congress exercised the right to establish eight hours for railroad men it also considered a complete program for regulating railroad workers which culminated in taking from them the right to strike and the conscription act providing for compulsory service.

Compulsory social insurance can not be administered without exercising some control over wage-earners. This is the meat of the whole matter. Industrial freedom exists only when wage-earners have complete control over their labor power. To delegate control over their labor power to an outside agency takes away from the economic power of those wage-earners and creates another agency for power. Whoever has control of this new agency acquires some degree of control over the workers. There is nothing to guarantee control over that agency to the employed. It may also be controlled by employers. In other words, giving the government control over indus-

trial relations creates a fulcrum which means great power for an unknown user.

Compulsory social insurance is in its essence undemocratic. The first step in establishing social insurance is to divide people into two groups—those eligible for benefits and those considered capable to care for themselves. The division is based upon wage-earning capacity. This governmental regulation tends to fix the citizens of the country into classes, and a long established insurance system would tend to make these classes rigid.

There is in our country more voluntary social insurance than in any other country of the world. We have institutions whereby voluntary insurance could be increased. It is true that in many of these institutions there are evils, but the cure for these evils is to make insurance companies organize for mutual benefit and to provide proper regulation and control, and in addition, if those who really have the welfare of wage-earners at heart will turn their activities and their influence toward securing for wage-earners the opportunity to organize, there will be no problems, no suffering and no need that will necessitate the consideration of benevolent assistance of a compulsory character.

EUGENE V. DEBS

As Gompers represented conservative labor unionism and the I.W.W. spoke for the mass of the disinherited, so "Gene" Debs presented the socialist viewpoint to the voting workingman in the United States. Debs's part in the Pullman strike had made him known to all trade unionists, and when he accepted socialism and helped in the creation of the Socialist party in 1901, it was inevitable that he should become its leader.

Debs was no doctrinaire or theoretician, as these examples of his work clearly show. But he was a warmly human person filled with great compassion for his fellow men, and under his leadership the Socialist party grew in numbers and influence. It was at the height of its career in 1912 when Debs, as his party's presidential candidate, received almost a million votes. From then on, decline set in—due to the party's rejection of American intervention in the first World War (when many intellectuals quit) and to the appearance of the Communists (whom the more militant among the Socialists joined).

The selections here reprinted are from *Debs: His Life, Writings and Speeches* (Chicago, 1908) and are published by permission of Charles H. Kerr and Company. "Revolution" appeared in the *New York Worker* of April 27, 1907; "The Socialist Party and the Working Class" was delivered at Indianapolis, Ind., on September 1, 1904.

Two Speeches

BY EUGENE V. DEBS

1. Revolution

This is the first and only International Labor Day. It belongs to the working class and is dedicated to the Revolution.

Today the slaves of all the world are taking a fresh breath in the long and weary march; pausing a moment to clear their lungs and shout for joy; celebrating in festal fellowship their coming Freedom.

All hail the Labor Day of May!
The day of the proletarian protest;
The day of stern resolve;
The day of noble aspiration.
Raise high this day the blood-red Standard of the Revolution!
The banner of the Workingman;
The flag, the only flag, of Freedom.

Slavery, even the most abject—dumb and despairing as it may seem—has yet its inspiration. Crushed it may be, but extinguished never. Chain the slave as you will, O Masters, brutalize him as you may, yet in his soul, though dead, he yearns for freedom still.

The great discovery the modern slaves have made is that they themselves their freedom must achieve. This is the secret of their solidarity; the

heart of their hope; the inspiration that nerves them all with sinews of steel.

They are still in bondage, but no longer cower;
No longer grovel in the dust,
But stand erect like men.

Conscious of their growing power the future holds out to them her outstretched hands.

As the slavery of the working class is international, so the movement for its emancipation.

The salutation of slave to slave this day is repeated in every human tongue as it goes ringing round the world.

The many millions are at last awakening. For countless ages they have suffered; drained to the dregs the bitter cup of misery and woe.

At last, at last the historic limitation has been reached, and soon a new sun will light the world.

Red is the life-tide of our common humanity and red our symbol of universal kinship.

Tyrants deny it; fear it; tremble with rage and terror when they behold it.

We reaffirm it and on this day pledge anew our fidelity—come life or death—to the blood-red Banner of the Revolution.

Socialist greetings this day to all our fellow-workers! To the god-like souls in Russia marching grimly, sublimely into the jaws of hell with the Song of the Revolution in their death-rattle; to the Orient, the Occident and all the Isles of the Sea!

VIVE LA REVOLUTION!

The most heroic word in all languages is REVOLUTION.

It thrills and vibrates; cheers and inspires. Tyrants and time-servers fear it, but the oppressed hail it with joy.

The throne trembles when this throbbing word is lisped, but to the hovel it is food for the famishing and hope for the victims of despair.

Let us glorify today the revolutions of the past and hail the Greater Revolution yet to come before Emancipation shall make all the days of the year May Days of peace and plenty for the sons and daughters of toil.

It was with Revolution as his theme that Mark Twain's soul drank deep from the fount of inspiration. His immortality will rest at last upon this royal tribute to the French Revolution:

"The ever memorable and blessed revolution, which swept a thousand years of villainy away in one swift tidal wave of blood—one: a settlement of that hoary debt in the proportion of half a drop of blood for each hogshead of it that had been pressed by slow tortures out of that people in the weary stretch of ten centuries of wrong and shame and misery the like of which was not to be mated but in hell. There were two Reigns of Terror, if we would but remember it and consider it: the one wrought murder in hot passion, the other in heartless cold blood; the one lasted mere months, the other lasted a thousand years; the one inflicted death on ten thousand persons, the other upon a hundred millions; but our shudders are all for the horrors of the minor Terror, so to speak; whereas, what is the horror of swift death by the axe compared with lifelong death from hunger, cold, insult, cruelty and heartbreak? What is swift death by lightning compared with death by slow fire at the stake? A city cemetery could contain the coffins filled by that brief Terror, which we have all been so diligently taught to shiver at and mourn over, but all France could hardly contain the coffins filled by that older and real Terror which none of us has been taught to see in its vastness or pity as it deserves."

2. THE SOCIALIST PARTY AND THE WORKING CLASS

MR. CHAIRMAN, CITIZENS AND COMRADES:

There has never been a free people, a civilized nation, a real republic on this earth. Human society has always consisted of masters and slaves, and the slaves have always been and are today, the foundation stones of the social fabric.

Wage-labor is but a name; wage-slavery is the fact.

The twenty-five millions of wage-workers in the United States are twenty-five millions of twentieth century slaves.

This is the plain meaning of what is known as

THE LABOR MARKET

And the labor market follows the capitalist flag.

The most barbarous fact in all christendom is the labor market. The mere term sufficiently expresses the animalism of commercial civilization.

They who buy and they who sell in the labor market are alike dehumanized by the inhuman traffic in the brains and blood and bones of human beings.

The labor market is the foundation of so-called civilized society. Without these shambles, without this commerce in human life, this sacrifice of manhood and womanhood, this barter of babes, this sales of souls, the capitalist civilizations of all lands and all climes would crumble to ruin and perish from the earth.

Twenty-five millions of wage-slaves are bought and sold daily at prevailing prices in the American Labor Market.

This is the

PARAMOUNT ISSUE

in the present national campaign.

Let me say at the very threshold of this discussion that the workers have but the one issue in this campaign, the overthrow of the capitalist system and the emancipation of the working class from wage-slavery.

The capitalists may have the tariff, finance, imperialism and other dust-covered and moth-eaten issues entirely to themselves.

The rattle of these relics no longer deceives workingmen whose heads are on their own shoulders.

They know by experience and observation that the gold standard, free silver, fiat money, protective tariff, free trade, imperialism and anti-imperialism all mean capitalist rule and wage-slavery.

Their eyes are open and they can see; their brains are in operation and they can think.

The very moment a workingman begins to do his own thinking he understands the paramount issue, parts company with the capitalist politician and falls in line with his own class on the political battlefield.

The political solidarity of the working class means the death of despotism, the birth of freedom, the sunrise of civilization.

Having said this much by way of introduction I will now enter upon the actualities of my theme.

THE CLASS STRUGGLE

We are entering tonight upon a momentous campaign. The struggle for political supremacy is not between political parties merely, as appears upon the surface, but at bottom it is a life and death struggle between two hostile economic classes, the one the capitalist, and the other the working class.

The capitalist class is represented by the Republican, Democratic, Populist and Prohibition parties, all of which stand for private ownership of the means of production, and the triumph of any one of which will mean continued wage-slavery to the working class.

As the Populist and Prohibition sections of the capitalist party represent minority elements which propose to reform the capitalist system without disturbing wage-slavery, a vain and impossible task, they will be omitted from this discussion with all the credit due the rank and file for their good intentions.

The Republican and Democratic parties, or, to be more exact, the Republican-Democratic party, represent the capitalist class in the class struggle. They are the political wings of the capitalist system and such differences as arise between them relate to spoils and not to principles.

With either of these parties in power one thing is always certain and that is that the capitalist class is in the saddle and the working class under the saddle.

Under the administration of both these parties the means of production are private property, production is carried forward for capitalist profit purely, markets are glutted and industry paralyzed, workingmen become tramps and criminals while injunctions, soldiers and riot guns are brought into action to preserve "law and order" in the chaotic carnival of capitalistic anarchy.

Deny it as may the cunning capitalists who are clear-sighted enough to perceive it, or ignore it as may the torpid workers who are too blind and unthinking to see it, the struggle in which we are engaged today is a class struggle, and as the toiling millions come to see and understand it and rally to the political standard of their class, they will drive all capitalist parties of whatever name into the same party, and the class struggle will then be so clearly revealed that the hosts of labor will find their true place in the conflict and strike the united and decisive blow that will destroy slavery and achieve their full and final emancipation.

In this struggle the workingmen and women and children are represented by the Socialist party and it is my privilege to address you in the name of that revolutionary and uncompromising party of the working class.

ATTITUDE OF THE WORKERS

What shall be the attitude of the workers of the United States in the present campaign? What part shall they take in it? What party and what principles shall they support by their ballots? And why?

These are questions the importance of which are not sufficiently recognized by workingmen or they would not be the prey of parasites and the service tools of scheming politicians who use them only at election time to renew their masters' lease of power and perpetuate their own ignorance, poverty and shame.

In answering these questions I propose to be as frank and candid as plain-meaning words will allow, for I have but one object in this discussion and that object is not office, but the truth, and I shall state it as I see it, if I have to stand alone.

But I shall not stand alone, for the party that has my allegiance and may have my life, the Socialist party, the party of the working class, the party of emancipation, is made up of men and women who know their rights and scorn to com-

promise with their oppressors; who want no votes that can be bought and no support under any false pretense whatsoever.

The Socialist party stands squarely upon its proletarian principles and relies wholly upon the forces of industrial progress and the education of the working class.

The Socialist party buys no votes and promises no offices. Not a farthing is spent for whiskey or cigars. Every penny in the campaign fund is the voluntary offerings of workers and their sympathizers and every penny is used for education.

What other parties can say the same?

Ignorance alone stand in the way of socialist success. The capitalist parties understand this and use their resources to prevent the workers from seeing the light.

Intellectual darkness is essential to industrial slavery.

Capitalist parties stand for Slavery and Night.

The Socialist party is the herald of Freedom and Light.

Capitalist parties cunningly contrive to divide the workers upon dead issues.

The Socialist party is uniting them upon the living issue:

Death to Wage Slavery!

When industrial slavery is as dead as the issues of the Siamese capitalist parties the Socialist party will have fulfilled its mission and enriched history.

And now to our questions:

First, all workingmen and women owe it to themselves, their class and their country to take an active and intelligent interest in political affairs.

THE BALLOT

The ballot of united labor expresses the people's will and the people's will is the supreme law of a free nation.

The ballot means that labor is no longer dumb, that at last it has a voice, that it may be heard and if united shall be heeded.

Centuries of struggle and sacrifice were required to wrest this symbol of freedom from the mailed clutch of tyranny and place it in the hand of labor as the shield and lance of attack and defense.

The abuse and not the use of it is responsible for its evils.

The divided vote of labor is the abuse of the ballot and the penalty is slavery and death.

The united vote of those who toil and have not will vanquish those who have and toil not, and solve forever the problem of democracy.

THE HISTORIC STRUGGLE OF CLASSES

Since the race was young there have been class struggles. In every state of society, ancient and modern, labor has been exploited, degraded and in subjection.

Civilization has done little for labor except to modify the forms of its exploitation.

Labor has always been the mudsill of the social fabric—is so now and will be until the class struggle ends in class extinction and free society.

Society has always been and is now built upon exploitation—the exploitation of a class—the working class, whether slaves, serfs or wage-laborers, and the exploited working class in subjection have always been, instinctively or consciously, in revolt against their oppressors.

Through all the centuries the enslaved toilers have moved slowly but surely toward their final freedom.

The call of the Socialist party is to the exploited class, the workers in all useful trades and professions, all honest occupations, from the most menial service to the highest skill, to rally beneath their own standard and put an end to the last of the barbarous class struggles by conquering the capitalist government, taking possession of the means of production and making them the common property of all, abolishing wage-slavery and establishing the co-operative commonwealth.

The first step in this direction is to sever all relations with

CAPITALIST PARTIES

They are precisely alike and I challenge their most discriminating partisans to tell them apart in relation to labor.

The Republican and Democratic parties are alike capitalist parties—differing only in being committed to different sets of capitalist interests—they have the same principles under varying colors, are equally corrupt and are one in their subservience to capital and their hostility to labor.

The ignorant workingman who supports either of these parties forges his own fetters and is the unconscious author of his own misery. He can and must be made to see and think and act with his fellows in supporting the party of his class and this work of education is the crowning virtue of the socialist movement. . . .

THE SOCIALIST PARTY

In what has been said of other parties I have tried to show why they should not be supported by the common people, least of all by workingmen, and I think I have shown clearly enough that such workers as do support them are guilty, consciously or unconsciously, of treason to their class. They are voting into power the enemies of

labor and are morally responsible for the crimes thus perpetrated upon their fellow-workers and sooner or later they will have to suffer the consequences of their miserable acts.

The Socialist party is not, and does not pretend to be, a capitalist party. It does not ask, nor does it expect the votes of the capitalist class. Such capitalists as do support it do so seeing the approaching doom of the capitalist system and with a full understanding that the Socialist party is not a capitalist party, nor a middle class party, but a revolutionary working class party, whose historic mission it is to conquer capitalism on the political battle-field, take control of government and through the public powers take possession of the means of wealth production, abolish wage-slavery and emancipate all workers and all humanity.

The people are as capable of achieving their industrial freedom as they were to secure their political liberty, and both are necessary to a free nation.

The capitalist system is no longer adapted to the needs of modern society. It is outgrown and fetters the forces of progress. Industrial and commercial competition are largely of the past. The handwriting blazes on the wall. Centralization and combination are the modern forces in industrial and commercial life. Competition is breaking down and co-operation is supplanting it.

The hand tools of early times are used no more. Mammoth machines have taken their places. A few thousand capitalists own them and many millions of workingmen use them.

All the wealth the vast army of labor produces above its subsistence is taken by the machine owning capitalists, who also own the land and the mills, the factories, railroads and mines, the forests and fields and all other means of production and transportation.

Hence wealth and poverty, millionaires and beggars, castles and caves, luxury and squalor, painted parasites on the boulevard and painted poverty among the red lights.

Hence strikes, boycotts, riots, murder, suicide, insanity, prostitution on a fearful and increasing scale.

The capitalist parties can do nothing. They are a part, an iniquitous part, of the foul and decaying system.

There is no remedy for the ravages of death.

Capitalism is dying and its extremities are already decomposing. The blotches upon the surface show that the blood no longer circulates. The time is near when the cadaver will have to be removed and the atmosphere purified.

In contrast with the Republican and Democratic conventions, where politicians were the puppets of plutocrats, the convention of the Socialist party consisted of workingmen and women fresh from their labors, strong, clean, wholesome, self-reliant, ready to do and dare for the cause of labor, the cause of humanity.

Proud indeed am I to have been chosen by such a body of men and women to bear aloft the proletarian standard in this campaign, and heartily do I endorse the clear and cogent platform of the party which appeals with increasing force and eloquence to the whole working class of the country.

To my associate upon the national ticket I give my hand with all my heart. Ben Hanford typifies the working class and fitly represents the historic mission and revolutionary character of the Socialist party.

CLOSING WORDS

These are stirring days for living men. The day of crisis is drawing near and Socialists are exerting all their power to prepare the people for it.

The old order of society can survive but little longer. Socialism is next in order. The swelling minority sounds warning of the impending change. Soon that minority will be the majority and then will come the co-operative commonwealth.

Every workingman should rally to the standard of his class and hasten the full-orbed day of freedom.

Every progressive Democrat must find his way in our direction and if he will but free himself from prejudice and study the principles of Socialism he will soon be a sturdy supporter of our party.

Every sympathizer with labor, every friend of justice, every lover of humanity should support the Socialist party as the only party that is organized to abolish industrial slavery, the prolific source of the giant evils that afflict the people.

Who with a heart in his breast can look upon Colorado without keenly feeling the cruelties and crimes of capitalism! Repression will not help her. Brutality will only brutalize her. Private ownership and wage-slavery are the curse of Colorado. Only Socialism will save Colorado and the nation.

The overthrow of capitalism is the object of the Socialist party. It will not fuse with any other party and it would rather die than compromise.

The Socialist party comprehends the magnitude of its task and has the patience of preliminary defeat and the faith of ultimate victory.

The working class must be emancipated by the working class.

Woman must be given her true place in society by the working class.

Child labor must be abolished by the working class.

Society must be reconstructed by the working class.

The working class must be employed by the working class.

The fruits of labor must be enjoyed by the working class.

War, bloody war, must be ended by the working class.

These are the principles and objects of the Socialist party and we fearlessly proclaim them to our fellowmen.

We know our cause is just and that it must prevail.

With faith and hope and courage we hold our heads erect and with dauntless spirit marshal the working class for the march from Capitalism to Socialism, from Slavery to Freedom, from Barbarism to Civilization.

VINCENT ST. JOHN

In 1905, a group of labor representatives met at Chicago and organized the Industrial Workers of the World. Here gathered Socialists like Eugene V. Debs, delegates from A. F. of L. unions which were restive under their old-line leadership, and members of such dissident labor groups as the Western Federation of Miners. Among the many viewpoints—socialist, anarchist, industrial unionist—which made themselves vocal at the Chicago meeting, one element stood out as binding, a rejection of the A. F. of L.'s premise that organization on a craft basis was the foundation of a successful labor movement.

The following year, after the failure of a vigorous dual union campaign, schism split the new movement and the comparatively skilled workers represented by the dissident A. F. of L. unions withdrew. The Western Federation of Miners seceded in 1907; these were followed, in 1908, by the socialist groups led by Daniel De Leon. The I.W.W. now fell into its ultimate pattern, a propaganda organization working among unskilled and migratory workers with its greatest strength in the Far West. Freed of socialist doctrinaire dissenters and potential craft unionists, the I.W.W. passed into the control of what De Leon labeled the "Overall Brigade,"—men intensely suspicious of parties, parliamentarism, voting, craft unionism and leaders of all varieties, including their own.

The I.W.W. brought new methods into labor organizing. It rejected trade agreements, refused to establish benefit programs that might transform it into a "coffin society," and devoted its energies to propaganda and organizing. The social philosophy behind that propaganda was never precisely formulated, though those who feared the movement talked forebodingly of "anarchism" and "syndicalism" and other threats to social stability. The fact is, its ideology took on aspects of both these radical movements.

I.W.W. aims and methods are described in the testimony of Vincent St. John, its general secretary, before the Commission on Industrial Relations which Congress had appointed to inquire into the condition of labor. Two years had passed since the Lawrence strike of 1912, when the I.W.W. led unorganized textile workers against a wage cut, to the accompaniment of violence, conflict with craft unions, the new technique of crowding local jails with men willing to suffer for exercising the right of free speech, and a flood of apprehensive publicity. The Lawrence strike had ended in an I.W.W. victory that brought a general wage increase in which the unskilled won the largest share. In its unorthodox fashion, the I.W.W. had shown the power latent in the unskilled and underemployed whom the craft unions had never attempted to organize.

Shortly after the publication of the Industrial Commission's report, there was another flare-up of I.W.W. activity in the West. The 1916 effort was not unsuccessful. The movement's opposition to the war led to its being

outlawed in many states through the passage of so-called criminal syndicalism laws. In 1919, I.W.W. leaders were tried for violation of the federal acts against seditious activity in wartime and when its general secretary, William D. Hayward, jumped his bail and fled to Soviet Russia, the backbone of the movement was broken. It continues to exist today but it is not much more than a paper organization.

St. John's testimony is reprinted from the *Final Report and Testimony Submitted to Congress by the Commission on Industrial Relations* (15 vols., Washington, 1916). It appeared as Senate Document No. 415, 64th Congress, 1st Session.

Testimony Concerning the I.W.W. before the Commission on Industrial Relations

BY VINCENT ST. JOHN

MR. THOMPSON. What are the purposes, general scope, and plan of the Industrial Workers of the World? Take your time and make your statement in regard to that.

Mr. ST. JOHN. The primary purpose is the organization—to organize the working class on a class basis. That is, to organize and educate the workers with the understanding that the workers of this and every other country constitute a distinct and separate economic class in society, with interests that are distinct and separate from the employing class, as such, in society. That is, the organization divides society to-day into two broad classifications—the employing class on the one hand and the wageworking class on the other. The purpose of the organization is to organize and educate the wageworking class into a knowledge of economic position for the purpose of gaining requisite power in order to advance their interests, defend their interests, and advance them wherever possible, with the ultimate object of placing the control and operation of industries in which workers work into the hands and under the jurisdiction of the organized wageworkers of the country, so that the result of their efforts, the wealth produced by them and by their collective efforts, will accrue to those who are responsible for its creation without having to pay tribute to any employing class over any other parasitical class whatever. It is proposed to accomplish that by organizing the workers in such a manner that it will be possible for them, through their organization, to control their labor power, their brain and muscular energy that is used from day to day and year to year in the operation of industries, which to-day is a commodity sold on the labor market under the same rules, governed by the same conditions, that any other commodity is sold; and the Industrial Workers of the World propose that the wageworkers organize in such a manner that they will control a sufficient amount of this commodity required to operate the industries so that they will be able to dictate the terms upon which it is used.

I think, for a general statement, that covers the matter, so far as I can go. . . .

Chairman WALSH. Now, after that union was formed the local unions were formed, and you had this national union, what means would you propose to see that those men get the profit of their own labor? What means would you adopt to see that these men so formed into a union would receive what I believe you said was the product of their toil and not divide it with anyone else?

Mr. ST. JOHN. That would be impossible, so far as the railroad workers themselves were concerned. They could not accomplish that individually; that is, it would be impossible for the employees of the different railroad systems to arrange matters to that extent simply as the employees of the railway system, of the railway industry. The ultimate object of the organization would have to stand until such time as the organization in all of the industries reached the point that gave them the required power to attain that object. . . .

Chairman WALSH. Assuming, Mr. St. John, that you succeed in perfecting such an organization in the leading industries of the Nation, the large employers of labor, what steps would you then take to bring about the conditions that you mentioned in the statement of your general object, to wit, that the workers should have the product of their own labor and not give any proportion or divide it with the parasitical class or with the class of nonworkers?

Mr. ST. JOHN. Well, when that stage arrives the organization will have gradually increased its control over the industries.

Chairman WALSH. How is that?

Mr. ST. JOHN. I say when that stage arrives the

organization will have gradually increased its control and domination over industry to such an extent that they will be able to operate the industry and exchange the products through the medium of our own organization.

Chairman WALSH. At what point would you take in what you call the officials or the administratives?

Mr. ST. JOHN. Whenever we were strong enough to dominate them and know that they would work for our interest.

Chairman WALSH. Would your plan require a political action?

Mr. ST. JOHN. I don't know what you mean by political action.

Chairman WALSH. That is, would it require control of the legislative body of the Nation?

Mr. ST. JOHN. No, sir.

Chairman WALSH. Or of the various States, or a change in the organic law of the Nation, or constitutions of the various States?

Mr. ST. JOHN. None, whatever.

Chairman WALSH. That is all.

Mr. THOMPSON. I understand, Mr. St. John, from your answers to the chairman's questions, that what you have stated in reference to the program of your organization in regard to the production and distribution of wealth is a future program. That at present you are concerned with the organization of the workers to better their hours and their working condition and to increase their wages.

Mr. ST. JOHN. The organization, in order to represent the interests of the working class, must necessarily have a twofold function. It has to be able to handle the everyday problem of the workers, which is one of shorter hours, better wages, and improved shop conditions, and ultimately the education of the workers, so that they can assume control of industry. The fundamental purpose of the organization is to drill, have the workers drilled, and to educate themselves so that they can control industry; and as a training school or preparation for that task, the everyday struggle of the workers is the first struggle in front of the organization.

Mr. THOMPSON. Mr. St. John, what is the method of organization you pursue in any given industry, if you have such? . . .

Mr. ST. JOHN. You mean by that how we build up an organization—start it?

Mr. THOMPSON. Yes. Do you have any organized? Do you have any distinct plans, different from those of other labor organizations that are commonly understood and known?

Mr. ST. JOHN. Well, I think that is the general proposition. All organization work is pretty much the same. The plan the I.W.W. follows is by organizers. For a local union in a given locality it carries on the organization work, through its members, through its membership, educational work, the distribution of leaflets, circulation of the papers of the organization, holding of public meetings in halls and on the streets, in front of factory gates, in fact any method by which the attention of the workers employed can be attracted; either carrying on agitation inside or outside of the factories.

Mr. THOMPSON. When as a result of such methods as you may use for basing an organization in a given city or factory, how do you present or make your demands to such factory, in reference to any subject which you take up? Do you have a shop organization?

Mr. ST. JOHN. We have a shop organization. If the local, if the industry in question has several different establishments in the same locality, the workers in the shops have meetings of their own wherein they take up the questions that they are interested in, with a view to the particular shop that they are working, and their demands or ideas are formulated into demands, and these different shops, branches, elect delegates who receive the report from the meetings of the shop branches; that is, the demands formulated for the different shops, and harmonize the whole. That is, they compile from the different demands a general set of demands, embracing whatever particular demands may apply to each shop or each establishment, either combined into a set of demands covering the entire district or the jurisdiction of that industry, or that industrial charter, or whatever it may be; and they are presented to whoever has the authority to receive them on the part of the employers.

Mr. THOMPSON. Who in the cases you have mentioned would present such demand on your organization?

Mr. ST. JOHN. The committee elected by the different branches of the workers involved.

Mr. THOMPSON. What, if any, arrangement does your organization countenance with the different factories that you may have an organization in?

Mr. ST. JOHN. We do not make any agreements for any stated length of time; but, as an example, if there was a—if the effort to gain better conditions resulted in a strike and this strike resulted in a victory for the workers involved, work would be resumed simply upon the representatives of the employer, the qualified representatives of the employer, saying that they agreed to the terms for which the workers were fighting, and a notice

posted in the mill to that effect. That is the extent of the effect of any agreement we enter into.

Mr. THOMPSON. Take a case, for instance, where there has been no strike, where your representatives meet with the firm, and an agreement is reached in reference to the several matters in dispute, have your representatives power to agree to any conditions, or hours, or wages for any given length of time, or are they to last for the day only?

Mr. ST. JOHN. They do not agree upon a length of time. They do not have any power to agree to anything of the kind. All they have power to do is to report back to a meeting of the workers involved wherever they report and whatever their report is, and their report is either accepted or rejected. If it is rejected then the practice is simply to require that a notice be posted in the establishment stating that these conditions will govern.

Mr. THOMPSON. Assuming that, as a result of the conference of the representatives of your organization, the firm should agree to the demands of the men, but should attach to the agreement the conditions that such demands should be in existence and be the law between the two for the time of a year, is it the purpose of your organization to countenance or encourage the making of such agreements?

Mr. ST. JOHN. No; on the contrary the organization is emphatically opposed to the entering into of any agreement for any stated length of time.

Mr. THOMPSON. Would the representatives of the workers under your plan of organization have the right to submit such a question to the mass meeting of the workers?

Mr. ST. JOHN. They would not have the right, but if the question was put up to them they would be supposed to do so. They are not judges of what comes before the membership on matters of that kind.

Mr. THOMPSON. Then, suppose they submitted such a plan to the membership at a mass meeting and the membership unanimously voted for it, and such an agreement or arrangement was made on such a vote of the mass meeting, would your international organization or your general organization stand back of such an agreement?

Mr. ST. JOHN. The possibilities are that the acceptance of any such agreement, any time agreement, on the part of any local connected with the I.W.W. would sever their connection. That has been the practice in the past.

Mr. THOMPSON. That is to say that the fundamental policy of your organization is this: That they do not countenance any time agreements, and that the making of time agreement automatically severs the organization making it from your parent body?

Mr. ST. JOHN. That has been the policy in the past; yes, sir.

Mr. THOMPSON. And consequently and naturally you would not encourage the carrying out of such an agreement? That goes without saying.

Mr. ST. JOHN. Certainly not. . . .

Mr. THOMPSON. When demands are made by your organization on the factory or firm, and they are not acceded to, what are the general plans of your organization for enforcing such plans, if you have any?

Mr. ST. JOHN. Well, we have no general plan, because the circumstances surrounding each particular case is what determines the plan of operation. The general plan might be stated as the withdrawing of the labor power from the establishment in question, or from the industry in question, in that locality, and if necessary from the industry in question throughout the country, in an effort to stop production in that manner. That is generally known as a strike. If circumstances were such as to prevent, such as to indicate that a strike would probably not give the results, would be inopportune, the conditions in the industry were not favorable, why, different methods would be resorted to; we would try to slow up the production in the factory; turn out poor work; in fact, interfere with the process of production so as to destroy the possible chance for revenue or profit accruing to the owners from that particular industry or mill.

Mr. THOMPSON. Is that what you call sabotage?

Mr. ST. JOHN. That is what it is generally known as; yes, sir.

Mr. THOMPSON. How else do you carry that principle out? Say, when you are out on a strike and not in the mill, how would you carry that same principle out?

Mr. ST. JOHN. We couldn't very well carry that principle out if we were out on a strike, excepting it would be to interfere with the products turned out in that particular mill, in transportation, or interfere with the raw material going into the mill. We would make an effort, if the organization was in shape, to control an influence sufficient with the isolated plant in question, so that no raw material or anything they use in the manufacture got very far.

Mr. THOMPSON. If, in carrying it out, it is necessary to destroy property, would your organization countenance that?

Mr. ST. JOHN. If the destruction of property would gain the point for the workers involved, that is the only consideration we would give to it. The fact that property was destroyed would not

have anything to do with determining whether we adopted the plan or not.

Mr. THOMPSON. Then, the criterion of your action on a strike is whether or not the proposed action will gain the point of the strike?

Mr. ST. JOHN. That is the only one.

Mr. THOMPSON. Would that same reasoning apply to questions of violence against persons?

Mr. ST. JOHN. Certainly. . . .

Mr. THOMPSON. I wish you would explain the reasons why your organization would not make a time agreement, and why you countenance the destruction of property or the injury of persons in order to carry out any desired point as workmen?

Mr. ST. JOHN. Well, in the matter of the time agreements, the entering into time agreements is of no value to the working class. It is of no value to that particular part of the working class who are directly involved in the agreement. It is, as a rule, a distinct—it places them at a disadvantage for the future period. In the first place, it is simply saying to the employer that on a certain date, after the lapse of a certain number of months, we are going to make a demand on you for increased wages or change in the working conditions. That is what it means to them. The consequence is that if he has any semblance of intelligence at all he prepares for it, and he has got a year's time to get ready for it. He makes up his stock ahead—his warehouse is piled with stock where he is dealing in goods that he can handle that way; and when the time comes and you make your demands, he has made arangements so that he is able to get along without you. He places you at a disadvantage.

Another thing, it prevents the workers from taking advantage of any favorable opportunity that might arise during the term of this agreement, by which they could get better conditions. For instance, the market or demand for the commodities that were being produced might become lively, and the plant become rushed with orders, why, from that circumstance the worker has an advantage in making terms and demands. There is an added demand for the commodity they are selling—their labor power; and there is that added demand there, and they are in a more favorable position to force recognition for their claims and gain what they are after.

In addition to that, it destroys the active spirit in an organization to work under a contract period. The membership, as a rule, working under a time contract, as soon as the contract is signed and they are back to work, they lose everything except a mere passing interest in their organization; and they think things are settled for the time being, and they do not need to bother until their contract is about to expire. Those are a few of the reasons; and as far as the destruction of property is concerned, the property is not ours. We haven't any interest at all in it; it is used simply—it is used to make the lot of the workers, as a class, harder; and the only property that we have, experience in the past has shown that the employers, as a class, are not at all particular whether they injure our property or not. They take us into the mills before we are able—before we have even the semblance of an education, and they grind up our vitality, brain and muscular energy into profits, and whenever we can not keep pace with the machine speeded to its highest notch, they turn us out onto the road to eke out an existence as best we can, or wind up on the poor farm or in the potter's field. And we think what is good for the working class—rather, what is good for the employing class is certainly good for us. And he has not shown any respect at all for our property, that it is not incumbent upon us to show any respect for his property; and we do not propose to do it; and we do not propose to make any bones about having that attitude clearly understood; that we are getting somewhat intelligent, and at least beginning to notice things. And the same holds true with regard to life and violence. Not that the Industrial Workers of the World are advocating the destruction of life to gain any particular point or the use of violence; because the destruction of life is not going to gain any point, and if life happens to be lost in strikes that we are implicated in, the blame generally, and has been up to date, on the other side. But we are not going to tell our membership to allow themselves to be shot down and beat up like cattle. Regardless of the fact that they are members of the working class, they still have a duty that they owe to themselves and their class of defending themselves whenever they are attacked and their life is threatened. Violence is not always the choosing of the working class; as a general rule, it is forced on them as a simple act of self-defense. They have to strike back when they are struck at, and that is the spirit and that is the idea the organization is trying to educate the workers into.

We do not—we do not want to be understood as saying that we expect to achieve our aims through violence and through the destruction of human life, because, in my judgment, that is impossible. The achievement of success—the success of this organization—the realization of what it is striving for—depends on one thing only, and that is gaining the control of a sufficient amount of

the labor power that is necessary in the operation of industry. Now, when we have that control, then through organization the necessity for violence will be reduced; in fact, it will almost disappear. It will disappear. The necessity for using any tactics that will lead to violence will disappear, and the protection and the safeguarding of human life will increase just in proportion as we have that control. And we will not only be able to take care of ourselves, and therefore it will become unnecessary for us to injure anybody else so far as life is concerned.

Mr. THOMPSON. In getting your control of an industry, Mr. St. John, do you—and in your advocacy of the method of gaining that control, do you tell your membership only to use force in case it is necessary for self-defense?

Mr. ST. JOHN. We don't tell them anything of the kind. They are supposed to have sense enough to know that. If they did not have sense enough to know when to take care of themselves, no amount of telling on our part would do them any good.

Mr. THOMPSON. In other words, your general policy is that whatever violence is necessary to carry the point, and if violence will carry the point, they must use it to gain the point?

Mr. ST. JOHN. Most assuredly; yes. . . .

Mr. THOMPSON. That is to say, if violence will bring the point that the workers want, then it is countenanced?

Mr. ST. JOHN. Well, violence is not going to bring the point that the workers want except in rare instances.

Mr. THOMPSON. Take the case of workers filling the place of strikers, for instance. If your people believe that by committing acts of violence against the people who take the places, they would cause a determination of the struggle in favor of the strikers, then you would countenance such violence?

Mr. ST. JOHN. Certainly.

Commissioner HARRIMAN. I would like to ask you, Mr. St. John, what was the underlying cause for the creation of your organization?

Mr. ST. JOHN. Well, the organization came into existence mainly because of the lack of unity on the part of labor as it was and is organized today.

Commissioner LENNON. I wish the witness would face that way [indicating audience], and we could hear just as well.

Mr. ST. JOHN. Strikes in different sections of the country were fought out and lost by the workers, not because they did not put up a good fight themselves, those that were directly involved—not because of the fact that the employers were in an advantageous position, but simply because that, in addition to fighting the employers who were solid as a unit on the proposition, they also had to contend against the assistance rendered to the employers by workers in the same industry or in other industries. The only show for the winning of a strike is stopping the production of the commodity that is being manufactured by the workers that are on strike, curtailing the profits of the corporation or the individual who has title to that establishment; and as long as he can transfer his work to other workers or operate his factories with scab labor and the products turned out by scab labor are distributed around the country by union men with union cards in their pockets, and the raw materials are furnished to the scab labor in this particular factory and pass through the hands of men with union cards in their pockets, the chances of any body of workers winning a strike in any important industry are reduced to a minimum, to say the least. And it was to overcome that state of affairs that the union has come into existence.

Commissioner HARRIMAN. Do you think that cooperation between employers and the wage-earning class is possible or impossible—peaceful cooperation?

Mr. ST. JOHN. It is not possible except by a loss to the wage earners. It might be brought about, but the only ones that would gain by it would be the employers. The wage earners would be the ones to suffer.

Commissioner HARRIMAN. I would like to ask you what is the attitude of your organization toward the Government? . . .

Mr. ST. JOHN. Well, they simply look on the Government as a committee employed to look after the interests of the employers. That is all the Government means to it. It is simply a committee employed to police the interests of the employing class. . . .

THE NEW FREEDOM

WOODROW WILSON

THE PRESIDENTIAL CAMPAIGN of 1912 bears witness to the political impact of a decade and a half of agitation, investigation, publicity, and reform. William Howard Taft, the Republican party candidate, carried the conservative label—though his administration had secured more progressive legislation than the more flamboyant regime it succeeded—while Theodore Roosevelt and Woodrow Wilson both put themselves down as progressives. Each advocated a carefully devised government program for dealing with the economic problems associated with the growth of great enterprises, and each insisted that he was the champion of the American people.

The Democratic candidate, Woodrow Wilson (1856–1924), was born in Virginia four years before the outbreak of the Civil War. His family was of Scotch-Irish origin and sufficiently prosperous to send their son to Princeton and the University of Virginia, where he studied law. The effort to build a practice in Atlanta proved uncongenial to a man of scholarly tastes, and Wilson decided to prepare for teaching, joining the group of brilliant pioneers in American graduate study who worked in Professor Herbert B. Adams's seminar at Johns Hopkins in the early eighties. *Congressional Government* won Wilson his degree, a reputation, calls to teach at Bryn Mawr and Wesleyan, and finally an appointment to the chair of political science at Princeton.

In 1902, Wilson was elected president of his university and set about reversing the trends which had transformed the rigors of the Princeton of Witherspoon and Ashbel Smith into the "rich man's club" of the nineties. For the next seven years, Wilson sought to establish higher academic standards and to eliminate some of the undemocratic practices among the undergraduates. Almost prophetically, what had begun as a dispute over principle became a personal quarrel; and he was ultimately forced into a position that left him small choice but retirement.

Wilson's Princeton program had made him a symbol of the struggle to restore the people's rights; his defeat gave him the political glamor of martyrdom. To a New Jersey Democratic machine that saw victory likely in 1910, the ex-president of Princeton seemed to combine a vote-getting aura of liberalism and integrity with sufficient lack of experience in practical politics to assure the continuance of sound policy—maintaining New Jersey laws against pressure for reform was important to interests which had made the state notorious for laxity in granting corporate charters and firmness against such innovations as employers' liability.

The Democratic machine named Wilson its candidate for governor, accordingly. When he was elected, machine leaders learned that they had given power to a man who had in no way forgotten that he numbered Presbyterian ministers in both lines of his ancestry. As governor, Wilson showed many of the traits he was to give evidence of in higher office: he was stubbornly certain of his own rightness, fearless in defying machine rule, and ready to appeal to the people against slackness in legislators.

Two years as governor of New Jersey made Wilson a leader among contenders for the Democratic presidential nomination; his only serious rival was Champ Clark of Missouri. The Baltimore Convention, like that of 1908, was under William J. Bryan's control, though he had refused to be a candidate. Defeated for the post of temporary chairman, Bryan dictated the Democratic platform and all but ruled the convention from the floor. And, in the balloting for nominee, it was Bryan's influence which gave the vote of his delegation,

instructed for Clark, to Woodrow Wilson, and so made Wilson the presidential candidate. Bryan had switched when the New York delegation, led by Tammany Hall, went over to Clark on the tenth ballot; but forty-six ballots were taken before the convention gave Wilson the two-thirds vote then necessary to name a Democratic candidate.

Woodrow Wilson carried on a vigorous campaign. His speeches—largely reprinted in *The New Freedom* (1913)—not only present his own idea of reform but also reject that of his chief opponent, Theodore Roosevelt. The people must rule their economic life directly, Wilson argues, and not through the trusteeship of great enterprise. Monopoly never can be trusted, even under regulation, for what assurance is there that the regulators will act in the interest of the people? Regulation is not sufficient, therefore; competition must be restored. Only then can the creative middle class return to its true task and, with energies released, take up its appointed mission of enriching American life.

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The New Freedom

BY WOODROW WILSON

Freemen Need No Guardians

There are two theories of government that have been contending with each other ever since government began. One of them is the theory which in America is associated with the name of a very great man, Alexander Hamilton. A great man, but, in my judgment, not a great American. He did not think in terms of American life. Hamilton believed that the only people who could understand government, and therefore the only people who were qualified to conduct it, were the men who had the biggest financial stake in the commercial and industrial enterprises of the country.

That theory, though few have now the hardihood to profess it openly, has been the working theory upon which our government has lately been conducted. It is astonishing how persistent it is. It is amazing how quickly the political party which had Lincoln for its first leader,—Lincoln, who not only denied, but in his own person so completely disproved the aristocratic theory,—it is amazing how quickly that party, founded on faith in the people, forgot the precepts of Lincoln and fell under the delusion that the "masses" needed the guardianship of "men of affairs."

For indeed, if you stop to think about it, nothing could be a greater departure from original Americanism, from faith in the ability of a confident, resourceful, and independent people, than the discouraging doctrine that somebody has got to provide prosperity for the rest of us. And yet that is exactly the doctrine on which the government of the United States has been conducted lately. Who have been consulted when important measures of government, like tariff acts, and currency acts, and railroad acts, were under consideration? The people whom the tariff chiefly affects, the people for whom the currency is supposed to exist, the people who pay the duties and ride on the railroads? Oh no! What do they know about such matters. The gentlemen whose ideas have been sought are the big manufacturers, the bankers, and the heads of the great railroad combinations. The masters of the government of the United States are the combined capitalists and manufacturers of the United States. It is written over every intimate page of the records of Congress, it is written all through the history of conferences at the White House, that the suggestions of economic policy in this country have come from one source, not from many sources. The benevolent guardians, the kind-hearted trustees who have taken the troubles of government off our hands, have become so conspicuous that almost anybody can write out a list of them. They have become so conspicuous that their names are mentioned upon almost every political platform. The men who have undertaken the interesting job of taking care of us do not force us to requite them with anonymously directed gratitude. We know them by name. . . .

The government of the United States at present is a foster-child of the special interests. It is not allowed to have a will of its own. It is told at every move: "Don't do that; you will interfere with our prosperity." And when we ask, "Where is our prosperity lodged?" a certain group of gentlemen say, "With us." The government of the United

States in recent years has not been administered by the common people of the United States. You know just as well as I do,—it is not an indictment against anybody, it is a mere statement of the facts,—that the people have stood outside and looked on at their own government and that all they have had to determine in past years has been which crowd they would look on at; whether they would look on at this little group or that little group who had managed to get the control of affairs in its hands. Have you ever heard, for example, of any hearing before any great committee of the Congress in which the people of the country as a whole were represented, except it may be by the Congressmen themselves? The men who appear at those meetings in order to argue for or against a schedule in the tariff, for this measure or against that measure, are men who represent special interests. They may represent them very honestly, they may intend no wrong to their fellow-citizens, but they are speaking from the point of view always of a small portion of the population. I have sometimes wondered why men, particularly men of means, men who didn't have to work for their living, shouldn't constitute themselves attorneys for the people, and every time a hearing is held before a committee of Congress should not go and ask: "Gentlemen, in considering these things suppose you consider the whole country? Suppose you consider the citizens of the United States?" . . .

I am one of those who absolutely reject the trustee theory, the guardianship theory. I have never found a man who knew how to take care of me, and, reasoning from that point out, I conjecture that there isn't any man who knows how to take care of all the people of the United States. I suspect that the people of the United States understand their own interests better than any group of men in the confines of the country understand them. The men who are sweating blood to get their foothold in the world of endeavor understand the conditions of business in the United States very much better than the men who have arrived and are at the top. They know what the thing is that they are struggling against. They know how difficult it is to start a new enterprise. They know how far they have to search for credit that will put them upon an even footing with the men who have already built up industry in this country. They know that somewhere, by somebody, the development of industry is being controlled.

I do not say this with the slightest desire to create any prejudice against wealth; on the contrary, I should be ashamed of myself if I excited class feeling of any kind. But I do mean to suggest this: That the wealth of the country has, in recent years, come from particular sources; it has come from those sources which have built up monopoly. Its point of view is a special point of view. It is the point of view of those men who do not wish that the people should determine their own affairs, because they do not believe that the people's judgment is sound. They want to be commissioned to take care of the United States and of the people of the United States, because they believe that they, better than anybody else, understand the interests of the United States. I do not challenge their character; I challenge their point of view. We cannot afford to be governed as we have been governed in the last generation, by men who occupy so narrow, so prejudiced, so limited a point of view.

The government of our country cannot be lodged in any special class. The policy of a great nation cannot be tied up with any particular set of interests. I want to say, again and again, that my arguments do not touch the character of the men to whom I am opposed. I believe that the very wealthy men who have got their money by certain kinds of corporate enterprise have closed in their horizon, and that they do not see and do not understand the rank and file of the people. It is for that reason that I want to break up the little coterie that has determined what the government of the nation should do. . . .

I believe, as I believe in nothing else, in the average integrity and the average intelligence of the American people, and I do not believe that the intelligence of America can be put into commission anywhere. I do not believe that there is any group of men of any kind to whom we can afford to give that kind of trusteeship.

I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America. I will submit to the majority, because I have been trained to do it,—though I may sometimes have my private opinion even of the majority. I do not care how wise, how patriotic, the trustees may be, I have never heard of any group of men in whose hands I am willing to lodge the liberties of America in trust.

If any part of our people want to be wards, if they want to have guardians put over them, if they want to be taken care of, if they want to be children, patronized by the government, why, I am sorry, because it will sap the manhood of America. But I don't believe they do. I believe they want to stand on the firm foundation of law and right and take care of themselves. I, for my part, don't

want to belong to a nation, I believe that I do not belong to a nation, that needs to be taken care of by guardians. I want to belong to a nation, and I am proud that I do belong to a nation, that knows how to take care of itself. If I thought that the American people were reckless, were ignorant, were vindictive, I might shrink from putting the government into their hands. But the beauty of democracy is that when you are reckless you destroy your own established conditions of life; when you are vindictive, you wreak vengeance upon yourself; the whole stability of a democratic polity rests upon the fact that every interest is every man's interest. . . .

In a former generation, half a century ago, there were a great many men associated with the government whose patriotism we are not privileged to deny nor to question, who intended to serve the people, but had become so saturated with the point of view of a governing class that it was impossible for them to see America as the people of America themselves saw it. Then there arose that interesting figure, the immortal figure of the great Lincoln, who stood up declaring that the politicians, the men who had governed this country, did not see from the point of view of the people. When I think of that tall, gaunt figure rising in Illinois, I have a picture of a man free, unentangled, unassociated with the governing influences of the country, ready to see things with an open eye, to see them steadily, to see them whole, to see them as the men he rubbed shoulders with and associated with saw them. What the country needed in 1860 was a leader who understood and represented the thought of the whole people, as contrasted with that of a class which imagined itself the guardian of the country's welfare.

Now, likewise, the trouble with our present political condition is that we need some man who has not been associated with the governing classes and the governing influences of this country to stand up and speak for us; we need to hear a voice from the outside calling upon the American people to assert again their rights and prerogatives in the possession of their own government. . . .

Do our masters of industry speak in the spirit and interest even of those whom they employ? When men ask me what I think about the labor question and laboring men, I feel that I am being asked what I know about the vast majority of the people, and I feel as if I were being asked to separate myself, as belonging to a particular class, from that great body of my fellow-citizens who sustain and conduct the enterprises of the country. Until we get away from that point of view it will be impossible to have a free government.

I have listened to some very honest and eloquent orators whose sentiments were noteworthy for this: that when they spoke of the people, they were not thinking of themselves; they were thinking of somebody whom they were commissioned to take care of. They were always planning to do things *for* the American people, and I have seen them visibly shiver when it was suggested that they arrange to have something done by the people for themselves. They said, "What do they know about it?" I always feel like replying, "What do *you* know about it? You know your own interest, but who has told you our interests, and what do you know about them?" For the business of every leader of government is to hear what the nation is saying and to know what the nation is enduring. It is not his business to judge *for* the nation, but to judge *through* the nation as its spokesman and voice. I do not believe that this country could have safely allowed a continuation of the policy of the men who have viewed affairs in any other light.

The hypothesis under which we have been ruled is that of government through a board of trustees, through a selected number of the big business men of the country who know a lot that the rest of us do not know, and who take it for granted that our ignorance would wreck the prosperity of the country. The idea of the Presidents we have recently had has been that they were Presidents of a National Board of Trustees. That is not my idea. I have been president of one board of trustees, and I do not care to have another on my hands. I want to be President of the people of the United States. There was many a time when I was president of the board of trustees of a university when the undergraduates knew more than the trustees did; and it has been in my thought ever since that if I could have dealt directly with the people who constituted Princeton University I could have carried it forward much faster than I could dealing with a board of trustees. . . .

I tell you the men I am interested in are the men who, under the conditions we have had, never had their voices heard, who never got a line in the newspapers, who never got a moment on the platform, who never had access to the ears of Governors or Presidents or of anybody who was responsible for the conduct of public affairs, but who went silently and patiently to their work every day carrying the burden of the world. How are they to be understood by the masters of finance, if only the masters of finance are consulted?

That is what I mean when I say, "Bring the government back to the people." I do not mean

anything demagogic; I do not mean to talk as if we wanted a great mass of men to rush in and destroy something. That is not the idea. I want the people to come in and take possession of their own premises; for I hold that the government belongs to the people, and that they have a right to that intimate access to it which will determine every turn of its policy.

America is never going to submit to guardianship. America is never going to choose thralldom instead of freedom. Look what there is to decide! There is the tariff question. Can the tariff question be decided in favor of the people, so long as the monopolies are the chief counselors at Washington? There is the currency question. Are we going to settle the currency question so long as the government listens only to the counsel of those who command the banking situation?

Then there is the question of conservation. What is our fear about conservation? The hands that are being stretched out to monopolize our forests, to prevent or pre-empt the use of our great power-producing streams; the hands that are being stretched into the bowels of the earth to take possession of the great riches that lie hidden in Alaska and elsewhere in the incomparable domain of the United States, are the hands of monopoly. Are these men to continue to stand at the elbow of government and tell us how we are to save ourselves,—from themselves? You cannot settle the question of conservation while monopoly is close to the ears of those who govern. And the question of conservation is a great deal bigger than the question of saving our forests and our mineral resources and our waters; it is as big as the life and happiness and strength and elasticity and hope of our people.

There are tasks awaiting the government of the United States which it cannot perform until every pulse of that government beats in unison with the needs and the desires of the whole body of the American people. Shall we not give the people access of sympathy, access of authority, to the instrumentalities which are to be indispensable to their lives?

THE NATIONAL MONETARY COMMISSION

THE DEFECTS of the National Banking Act of 1864 had been evident at every banking crisis from 1873 to 1907. But popular interest in financial reform had centered in efforts to secure cheaper money rather than in plans for revising the nation's banking and currency system. The panic of 1907, occurring after the United States had adopted the gold standard, prompted legislative measures to create a currency more responsive to business needs than that created by the National Banking Act. Those measures provided only for temporary emergency issues, however; further action was postponed until the National Monetary Commission should make its final report.

The Commission was duly appointed. It inquired into the banking systems of the principal nations of the world as well as into the shortcomings of the American scheme. In 1910, after considerable criticism of its delays, the Commission summarized the defects of the National Banking system as a guide to future legislation. For, even as supplemented by the new emergency measures, the present system was inadequate.

So far, general agreement prevailed, but the law suggested by Senator Nelson W. Aldrich (1841–1915) of Rhode Island, who had been instrumental in establishing the Commission, won less acceptance. The Aldrich bill provided for a central bank, in the form of a reserve association controlled by the larger banks, which was to have no formal public representation beyond the Secretaries of Agriculture, Commerce and Labor, and the Treasury serving ex officio. In addition to issuing banknotes against a gold reserve of 33⅓ percent, this central bank was to rediscount commercial paper, provide a more elastic currency, and make use of the government funds now kept idle in the subtreasuries. The Aldrich bill's conservative sponsorship and the predominance of banker control in its provisions were not likely to win support in the insurgent year 1910. When the Wilson administration undertook to fulfill campaign pledges for banking reform, it proceeded from dif-

ferent premises and reached a markedly different end, though it did make use of some of the technical features of the Aldrich bill.

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Defects of the National Banking System

BY THE NATIONAL MONETARY COMMISSION

. . . THE ACT of May 30, 1908, providing for the appointment of the National Monetary Commission was a direct consequence of the panic of 1907. We shall not attempt to recount the severe losses and misfortunes suffered by the American people of all classes as the result of this and similar crises. To seek for means to prevent the recurrence or to mitigate the severity of grave disasters of this character was, however, one of the primary purposes of its creation.

We have made a thorough study of the defects of our banking system, which were largely responsible for these disasters and have sought to provide effective remedies for these and other defects, in the legislation we propose.

The principal defects in our banking system we believe may be summarized as follows:

1. We have no provision for the concentration of the cash reserves of the banks and for their mobilization and use wherever needed in times of trouble. Experience has shown that the scattered cash reserves of our banks are inadequate for purposes of assistance or defense at such times.

2. Antiquated Federal and State laws restrict the use of bank reserves and prohibit the lending power of banks at times when, in the presence of unusual demands, reserves should be freely used and credit liberally extended to all deserving customers.

3. Our banks also lack adequate means available for use at any time to replenish their reserves or increase their loaning powers when necessary to meet normal or unusual demands.

4. Of our various forms of currency the banknote issue is the only one which we might expect to respond to the changing needs of business by automatic expansion and contraction, but this issue is deprived of all such qualities by the fact that its volume is largely dependent upon the amount and price of United States bonds.

5. We lack means to insure such effective cooperation on the part of banks as is necessary to protect their own and the public interests in times of stress or crisis. There is no cooperation of any kind among banks outside the clearing-house cities. While clearing-house organizations of banks have been able to render valuable services within a limited sphere for local communities, the lack of means to secure their cooperation or affiliation in broader fields makes it impossible to use these or similar local agencies to prevent panics or avert calamitous disturbances affecting the country at large. These organizations have, in fact, never been able to prevent the suspension of cash payments by financial institutions in their own localities in cases of emergency.

6. We have no effective agency covering the entire country which affords necessary facilities for making domestic exchanges between different localities and sections, or which can prevent disastrous disruption of all such exchanges in times of serious trouble.

7. We have no instrumentality that can deal effectively with the broad questions which, from an international standpoint, affect the credit and status of the United States as one of the great financial powers of the world. In times of threatened trouble or of actual panic these questions, which involve the course of foreign exchange and the international movements of gold, are even more important to us from a national than from an international standpoint.

8. The lack of commercial paper of an established standard, issued for agricultural, industrial, and commercial purposes, available for investments by banks, leads to an unhealthy congestion of loanable funds in great centers and hinders the development of the productive forces of the country.

9. The narrow character of our discount market, with its limited range of safe and profitable investments for banks, results in sending the surplus money of all sections, in excess of reserves and local demands, to New York, where it is usually loaned out on call on Stock Exchange securities, tending to promote dangerous speculation and inevitably leading to injurious disturbances in reserves. This concentration of surplus money and available funds in New York imposes upon the managers of the banks of that city the vast responsibilities which are inherent in the control

of a large proportion of the banking resources of the country.

10. The absence of a broad discount market in our system, taken together with the restrictive treatment of reserves, creates at times when serious financial disturbances are anticipated a condition of dependence on the part of individual banks throughout the country, and at the same time places the farmers and others engaged in productive industries at a great disadvantage in securing the credit they require for the growth, retention, and distribution of their products.

11. There is a marked lack of equality in credit facilities between different sections of the country, reflected in less favored communities, in retarded development, and great disparity in rates of discount.

12. Our system lacks an agency whose influence can be made effective in securing greater uniformity, steadiness, and reasonableness of rates of discount in all parts of the country.

13. We have no effective agency that can surely provide adequate banking facilities for different regions promptly and on reasonable terms to meet the ordinary or unusual demands for credit or currency necessary for moving crops or for other legitimate purposes.

14. We have no power to enforce the adoption of uniform standards with regard to capital, reserves, examinations, and the character and publicity of reports of all banks in the different sections of the country.

15. We have no American banking institutions in foreign countries. The organization of such banks is necessary for the development of our foreign trade.

16. The provision that national banks shall not make loans upon real estate restricts their power to serve farmers and other borrowers in rural communities.

17. The provision of law under which the Government acts as custodian of its own funds results in irregular withdrawals of money from circulation and bank reserves in periods of excessive Government revenues, and in the return of these funds into circulation only in periods of deficient revenues. Recent efforts to modify the Independent Treasury system by a partial distribution of the public moneys among national banks have resulted, it is charged, in discrimination and favoritism in the treatment of different banks.

There is a general agreement among intelligent students of the subject that to remedy these and other defects it is necessary to provide a comprehensive reorganization of credit and a thorough reconstruction of our banking systems and methods. We submit herewith our recommendation providing for such reorganization in the form of a bill which, if enacted into law, will, we believe, accomplish these results.

It is proposed to incorporate the National Reserve Association of the United States with an authorized capital equal to 20 per cent of the capital of all subscribing banks, of which one-half shall be paid in and the remainder shall become a liability, subject to call under the provisions of section 3 of the bill. It is also provided that before the reserve association can commence business $100,000,000 of capital must be paid in cash. All State banks and trust companies conforming to the provisions of the bill with reference to capitalization and reserves and all National banks are entitled to subscribe for stock and to become members of the association. Shares in the association are not transferable and can not be owned otherwise than by a subscribing bank or in any other than the proportion named.

It is proposed to group into local associations all subscribing banks located in contiguous territory. The local associations are to be organized into district associations, in each of which shall be located a branch of the National Reserve Association; and the district associations, which shall be so arranged as to include all the territory of the United States, are combined to form the National Reserve Association of the United States.

These several associations are analogous in their organization to our political divisions, into counties, States, and the United States. Each has distinctive functions quite unlike in their character and each has representative self-government. In the local association the individual bank is the voting unit. A majority of banks, without reference to their size or their holdings of stock in the reserve association, elect three-fifths of the directors, and a majority in stock interest elect two-fifths. This method of electing directors is, we believe, quite novel in corporate government. It is more democratic in form, with more liberal representation to minorities than any method in general use.

One of the principal functions of the local associations is to guarantee, upon application, the commercial paper of individual banks which may be offered to the branches for rediscount, as provided in section 27 of the bill. The local association may, and in most cases would, require from the bank making the application satisfactory security for the guaranty. Local associations are authorized in serious emergencies to guarantee the direct obligations of subscribing banks with adequate security, in accordance with the provisions of section 28 of

the bill. A local association may decline to give the guaranties provided for under either of these sections. Local associations may also, by vote of three-fourths of their board of directors and the approval of the National Reserve Association, assume and exercise the powers and functions of clearing houses. They are required also to perform such services in facilitating domestic exchanges as, in the opinion of the National Reserve Association, the public interests may require. . . .

CARTER GLASS

CARTER GLASS (1858–1946) of Virginia was the chairman of the House Banking and Currency Committee when the Democrats took control after their triumph in the elections of 1910. He began to give close study to the problem of the reorganization of the nation's banking system—paralleling the activities of the National Monetary Commission—and by 1913 had whipped into shape a measure called the Currency Bill. In his *Adventure in Constructive Finance* (1927), Glass tells in detail the political background and fortunes of his bill as it moved through both Houses of Congress and was debated by the country. It met with stubborn opposition: from the banking community, which was largely supporting the Aldrich plan of a central bank controlled by the private banking houses themselves; and from the agrarians, who had not yet lost their zest for fiat money. The fact is, the Senate wrote a measure of its own and Glass needed all his skill as a political leader and parliamentarian to win out. He pays tribute to Wilson, who came over to Glass's position, for Wilson's personal influence had much to do with overcoming a threatened attack on the Glass bill by a coalition of Republican and Democratic conservatives in the Senate.

On December 22, 1913, Glass presented before the House the Conference report on the Currency bill. In this speech, reprinted here, Glass details the structure of the Federal Reserve System and defends the Conference Committee report against the attacks of agrarians and conservatives alike.

The Conference Committee report was passed by both Houses and the bill was signed by President Wilson on December 23, 1913. It is known not as the "Currency Bill" but the "Federal Reserve Act"; its title declared its purpose to be: "An Act to provide for the establishment of Federal Reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes." One of the great achievements of the Wilsonian New Freedom, the act created a banking mechanism that certainly was more sensitive to the country's banking and currency requirements than had been true of the old National Banking System.

Glass's speech is reprinted from the *Congressional Record*, December 22, 1913.

Speech on the Federal Reserve Act

BY CARTER GLASS

MR. GLASS. Mr. Speaker, on the 18th day of last September this House, by a vote of 286 to 85, passed H.R. 7837, known as the currency bill. The conferees on the part of the House to reconcile the differences with the Senate now have the pleasure of reporting the bill back without one single fundamental alteration of its structure. . . .

FEDERAL RESERVE BOARD

The Senate amendment eliminated from membership on the Federal Reserve Board the Secretary of Agriculture and the Comptroller of the Currency. This action by the Senate reflected the deliberate opinion of the Democratic Party caucus

and apparently represented the unanimous conviction of the caucus and the Senate. The House conferees signified a willingness to yield with respect to the Secretary of Agriculture, but strenuously resisted the proposition to eliminate the Comptroller of the Currency. The conferees on the part of the Senate long persisted in the determination not to permit this official to hold membership on the Federal Reserve Board, but the House conferees, with equal pertinacity, insisted that the Comptroller of the Currency, already charged by law with the supervision and with a large power of control of the national banks of the country, was by virtue of his official duties peculiarly suited for membership on the board. The House conferees prevailed; so that the Federal Reserve Board will be composed of the Secretary of the Treasury, the Comptroller of the Currency, and five members to be appointed by the President for terms of 10 years each, instead of 6 years, as originally provided in the House bill, and with salaries of $12,000 per annum, instead of $10,000 per annum, as provided in the House bill.

NUMBER OF BANKS

Concerning the number of regional reserve banks to be established, the House bill, as you know, provided that there should not be less than 12, leaving subsequent increase in the number of banks to the judgment of the Federal Reserve Board. The Senate amended the bill in that particular so as to provide that the number of banks should not be less than 8 nor more than 12. On that point the House conferees yielded.

VOTING FOR DIRECTORS

In this connection, the House bill provided that the directors of classes A and B of the regional reserve banks—the first class peculiarly representative of the banking interest and the second class representative of the business community—should be selected from approved lists to be supplied by the stockholding banks. The Senate so amended this provision as to extend the field of choice, permitting the electors to vote for any individual in the regional reserve district. Regarding this as an utterly impracticable, if not interminable, process, the House conferees stood firm and the Senate yielded. The House accepted the Senate modification concerning a preferential ballot, so as to prevent the possibility of a tie vote for directors.

QUALIFICATIONS OF DIRECTORS

Concerning the qualification of directors of regional reserve banks, the House bill provided that directors of class B could not be officers, directors, or employees of member banks. The Senate so amended the provision as to prohibit stockholders of member banks from being directors of class B in the regional reserve banks; but on this point the Senate receded.

CAPITALIZATION

The House bill provided that the capital of the regional reserve banks should be in amount equal to 20 per cent. of the capital of member banks, one-half to be paid in, and the other half subject to call, being in the nature of a double liability. The Senate so altered this provision as to provide that the aggregate capital of a regional reserve bank should be in amount equal to 6 per cent. of the capital and surplus of member banks. The House provision was based upon the theory that a bank's capital stock is less liable to variation than its surplus. Nevertheless, the House yielded on this point, not regarding it as at all vital. Indeed, the aggregate capital under the one provision will be approximately the same as that provided by the other plan. . . .

POWERS OF RESERVE BOARD

The powers of the Federal Reserve Board were in some minor particulars and in one or two material aspects altered by the Senate amendment, notably where the House authorized the Federal Reserve Board to compel one Federal reserve bank to rediscount the discounted paper of another Federal reserve bank under certain restrictions. Such authority could only be exercised in time of emergency and only by the affirmative action of five of the seven members of the Federal Reserve Board. The Senate amendment swept away every one of the restrictions imposed by the House bill and vested the Federal Reserve Board with plenary power to order the rediscount at its pleasure and by a majority vote. The House conferees insisted upon a restoration of the requirement that at least five members of the Federal Reserve Board must concur in the proposed action.

REDISCOUNTS

In the matter of rediscount operations the only material change made by the Senate amendment to the House bill relates to the time limit of certain agricultural credits. This, you will recall, was an item of the bill which provoked considerable controversy in the House Democratic caucus and in the House itself. In the judgment of some of us the difference is more apparent than real, and certainly more political than economic. The House bill, keeping constantly in view the capital purpose of establishing regional reserve banks with

quick and liquid assets, promptly and certainly responsive to the commercial, agricultural, and industrial requirements of the country, provided a 90-day maturity for paper subject to discount, making no discrimination whatsoever for or against the merchant, the manufacturer, or the farmer. The Senate amendment, in the case of agricultural credits, extended the period of maturity to six months. The House having reversed itself on this particular proposition and having instructed the House conferees to yield on the Senate amendment, the conferees acquiesced. . . .

RESERVES

In dealing with the reserve requirements, the Senate amendment to the House bill somewhat strengthened the reserve by advancing the minimum requirement from 33⅓ to 40 per cent. of gold or lawful money, prescribing a flat penalty of 1 per cent. on all impairment of the reserve behind the notes between 40 per cent. and 32½ per cent., and authorizing the Federal Reserve Board to assess a graduated tax of 1½ per cent. per annum upon each 2½ percent. or fraction thereof that such reserve falls below 32½ per cent.

The reserve requirement for individual banks was very materially reduced by the Senate amendment; indeed, it was loosened up to an alarming extent, making inflation dangerously probable. The Senate amendment did not require a dollar of reserve to be kept in the vaults of individual banks, but made it possible for every dollar of the reserve to be kept in the regional reserve banks, thus frustrating the purpose of the House to put a stop to the vicious practice of pyramiding reserves under which the tendency to inflation is always possible and inviting. The House conferees adjusted this point of difference not entirely to their satisfaction, but vastly to the betterment of the provision, so that while the reserve requirements as to individual banks are somewhat less exacting than they were in the House bill they are very much more exacting than they were in the Senate amendment to the House bill.

BOND REFUNDING

The Senate radically altered the bond provision of the House bill. The pivotal point of banking and currency reform in this country around which controversy has raged for a quarter of a century has been the rigid and inelastic nature of a currency based on Government bonds. The demand of the banker, the textbook writer, the business man, and other currency experts has been for the abrogation of the bond-secured currency system and the gradual substitution therefor of a currency based on commercial assets and immediately responsive to business requirements. That has been the universal contention of all persons who have a clear comprehension of the question. It has been the declared policy of the Democratic Party for years, the declaration having appeared in specific terms in three of its recent national platforms. Nevertheless, the Senate in its wisdom radically altered that provision of the House bill so as to make an appreciable retirement of the bond-secured currency unlikely, if not impossible. The House conferees gained a measure of advantage by so modifying the Senate amendment as to make probable the retirement of at least $300,000,000 of the bond-secured currency within a period of 20 years, and the possible retirement of $500,000,000 of that currency, to be superseded by elastic Federal reserve currency, based upon a gold reserve and commercial assets, expanding and contracting automatically with the business requirements of the country.

NO CHARGE FOR EXCHANGE

One of the most important provisions of the currency bill passed by this House was that which sought to put an end to the flagrant abuse involved in excessive charges by banks throughout the country for collections and exchanges. The House bill provided that exchanges should be made at par and that charges for collections should not exceed the actual cost to the banks. This item of the bill, as most of you remember, was bitterly controverted in the Democratic caucus, and also in the House. Naturally thousands of banks deriving large profits from the practice of charging constructive interest upon checks in transit and very arbitrary charges for collections and for exchanges exhibited great distaste to this provision of the bill. They vigorously protested to members against the inclusion of this prohibition, and thus the effort to remove this tax burden upon the business of the country was contested with the utmost pertinacity. However, those of us in the House who sought to tear down these tollgates upon the highways of commerce prevailed. The fight was renewed in the Senate, and that body so modified the House provision as to leave it solely within the discretion of the Federal Reserve Board to diminish or abolish the evil complained of, as it might please. The House conferees declined to yield on this point. They insisted upon such a modification of the Senate amendment as will exact exchanges at par and restrict charges for collections to the actual cost of such transactions to the banks. In brief, as the bill now is reported to the House the banks cannot make exchange and collection charges a

source of profit; they cannot any longer charge constructive interest; they cannot exact a tax for a theoretical transfer of funds from point to point when no transfer is actually made, but only an entry on the books. They can no longer harass the commerce of the country nor penalize the business men of the Nation by an unjust tax. . . .

GOVERNMENT DEPOSITS

In the matter of Government deposits the House bill required that the regional reserve banks should be constituted fiscal agents of the United States Government and required the Secretary of the Treasury to deposit all of the current funds of the Government in these banks, omitting, of course, the Treasury trust funds. The Senate so altered this provision of the House bill as to make it optional with the Secretary of the Treasury to so deposit the Government funds and to place it within the discretion of that official to constitute the regional reserve banks fiscal agents of the United States Government. I have been unable to get any clear perception of the reason for this alteration of the House bill further than that I a little suspect that it was done for tactical purposes, perhaps to enable the Secretary of the Treasury to combat the schemes of intractable bankers, should there be such. The object of the framers of the House bill in making the provision mandatory instead of discretionary was to furnish the regional reserve banks with the idle funds of the Government as a basis for active business transactions, and at the same time to correct the unscientific and senseless process of withdrawing these funds from business channels and impounding them in the Treasury and sub-treasuries. It is scarcely thinkable that we shall ever have a Secretary of the Treasury who would not so exercise the discretion conferred upon him by the bill, as now reported, as to carry out the real purpose which the House had in view when it made this provision mandatory; hence, the House conferees reluctantly yielded the point about 3 o'clock this morning. . . .

THE NOTE ISSUES

The note provision of the House bill has been bitterly assailed, both in the other branch of Congress and by certain men of large experience and influence in banking. The president of the largest banking institution in the Western Hemisphere went all over the country recently, charging that the Federal reserve notes provided by the House bill and by the Senate amendment to the House bill, substantially now reported from the conference committee, constitute "fiat money." This charge was vehemently echoed, without investigation or reflection, as I am obliged to believe, in the other branch of Congress. Mr. Speaker, the characterization is not only inaccurate, is not only untrue, is not only amazing, but is positively wanton.

I have said in speeches elsewhere what I shall now repeat here. There is not in this country and there has never been in any country of the civilized world a government issue or a bank-note issue comparable in security to the Federal reserve notes provided by the bill which you are now asked to enact into law. [Applause.]

NOT AN ELEMENT OF FIATISM

Fiat money! Why, sir, never since the world began was there such a perversion of terms; and a month ago I stood before a brilliant audience of 700 bankers and business men in New York City, and there challenged the president of the National City Bank to name a single lexicographer on the face of the earth to whom he might appeal to justify his characterization of these notes. I twitted him with the fact that not 1 per cent. of the intelligent bankers of America could be induced to agree with his definition of these notes, and asked him to name a single financial writer of the metropolitan press of his own town, to whom he might confidently appeal to justify his absurd charge. "Fiat money" is an irredeemable paper money with no specie basis, with no gold reserve, but the value of which depends solely upon the taxing power of the Government emitting it. This Federal reserve note has 40 per cent. gold reserve behind it; has 100 per cent. short-term, gilt-edge commercial paper behind it, which must pass the scrutiny, first, of the individual bank, next of the regional reserve bank, and finally of the Federal Reserve Board. In addition to this, it constitutes a first and paramount lien on all the assets of the regional reserve bank, including the double liability of the member banks; and, superadded to this, it has behind it the taxing power, the credit, and the honor of a Nation of 95,000,000 of free people. There is not a semblance of fiatism about these notes; and at the very moment that Mr. Vanderlip, of the National City Bank of New York, was in Chicago recklessly characterizing these notes as "fiat"—meaning without sufficient security—Paul M. Warburg, perhaps the greatest international banker in America, was here in Washington protesting to me that the security behind the notes was entirely too exacting!

Mr. Vanderlip misses the mark a mile, while Mr. Warburg is not far from being right; but we

have thought it better to err on the side of prudence rather than incur the risks of insecurity. . . .

AS TO INFLATION

This bill, in its House form, has likewise been subjected to the criticism of providing a wide range of "inflation." On this point I have been more amused than exasperated, because the startling inconsistencies of the critics have been simply ludicrous. On the very day that Mr. Forgan, a great banker, was asserting before the Senate committee that the bill "immensely contracted commercial credits," his fellow townsman, Mr. Dawes, ex-Comptroller of the Currency, was proclaiming out West that the bill "enormously inflated commercial credits." Surely it could not do both things at the same time; nor will it ever do either at any time. It will afford a large expansion of credits, when needed, upon a perfectly sound basis and insure certain contraction of credits at the end of legitimate commercial transactions. This was what it was designed to do, and without the power to do which the bill would be manifestly deficient.

This charge of "inflation," like the criticism in regard to the "fiat" nature of the notes, was echoed in the Senate; and yet the bill came back from the Senate with the possibilities of inflation vastly increased. The only thing done in the other body to diminish the possibilities of over-expansion was slightly to increase the gold reserve; but at the same time the bill was so amended in the other body as to permit the banks to count the Federal reserve notes as reserve; the reserve requirements were appreciably reduced; banks were accorded the dangerous privilege of unrestricted "acceptances," and other things were done that made the bill, for the first time, amenable to the charge that it provided "inflation."

But the House conferees insisted upon a restoration of safeguards. As the bill now stands we have provided against inflation in almost every conceivable way—by the requirement of a substantial gold reserve; by the requirement of a secondary reserve of short-time commercial paper; by restricting the power of the reserve board to issue notes except upon application from the banks; by the interposition of banking instinct and experience applied in a threefold degree—that is to say, banking discretion is applied in the original discount operation of the individual bank; banking discretion is applied in the rediscount operation of the regional reserve bank; banking discretion is applied when the Federal Reserve Board passes upon the application of the regional reserve bank for additional currency. Thus inflation is held in check, first, by the limited supply of gold; second, by the limited amount of short-time commercial paper; third, by the banking discretion of the individual bank; fourth, by the banking discretion of the regional reserve bank; fifth, by the banking discretion of the Federal Reserve Board, with a broad view of conditions not in a single district, but throughout the entire country. . . .

ROBERT J. BULKLEY

ANOTHER IMPORTANT contribution of the New Freedom was the writing of the Federal Farm-Loan Act (1916) after long years of struggle on the part of agrarians to obtain long-term credit relief. Throughout the eighties and nineties, and again just before World War I, farmer parties and organizations had clamored for fiat money or government warehouses (the subtreasury scheme) to meet their credit requirements; but without avail. The Democratic Congresses under Wilson—in the face of the skepticism and frequently the hostility of the country's mortgage and life insurance companies—applied themselves to the difficult problem and after many years of labor finally produced the Federal Farm-Loan Act. It constitutes a landmark in the history of American agricultural legislation.

Robert J. Bulkley (1880–), Congressman from Ohio, was one of the leaders in drawing up the bill and steering it through the House. In this article, which appeared in *The Journal of Political Economy* in February, 1917, he tells the history of the bill and describes its outstanding provisions. Two sets of institutions were provided: cooperatively owned farm-loan associations and joint-stock land banks; and a new government agency, the Farm-Loan Board, which was to supervise the entire system.

The Federal Farm-Loan Act

BY ROBERT J. BULKLEY

THE AMERICAN FARMER has had a harder time to get credit and has had to pay more interest on his loans than the American business man or the European farmer. This is not altogether due to his inability to give good security, nor to any doubt about his ultimate ability to pay his debts, but is principally because he has wanted the use of money for longer periods than the commercial banks like to lend it and because rural credits have not been organized in such a way as to suit the convenience of the long-time investor, or to provide adequately for the safety of his investment. This condition has been recognized for several years and diligent efforts have been made to provide a remedy.

I

Conditions are unsatisfactory in respect to both land-mortgage long-term and personal short-term credit, but the former is generally conceded to be the more fundamental and important problem. Notwithstanding all difficulties, the farmer has succeeded in getting a good deal of money on mortgage security. The total is estimated at more than 3½ billion dollars. Much of this amount is loaned at reasonable rates, but in many sections interest is unreasonably and unnecessarily high, and, for the most part, the loans are made for relatively short terms—three to five years. . . .

Very little of the farm-mortgage business is done on the amortization plan, and some of the institutions operating on that plan compel the repayment of principal in rather too short a time. As the amortization-plan business is an insignificant part of the whole, renewals are necessarily frequent, with the attendant commission charges and other costs. It is obvious that notwithstanding the fact that large amounts are already loaned on farm mortgages and that many cases can be cited in which the interest charges are not unreasonable, there is nevertheless a big national problem to be solved in improving and extending agricultural land mortgage credit.

It is a problem in which the nation is even more vitally interested than the farmer himself, for availability of funds at reasonable rates is encouragement to the farmer to improve his lands and so increase his yield of foods. The farmer's temptation to "rob the soil" which might be another's after the old-fashioned three-year or five-year mortgage should fall due does not exist under the long-term, non-callable, amortization-plan mortgage which gives the farmer a satisfactory sense of permanence in his land ownership and makes him the most interested and diligent conservator of his soil. Such a change in attitude interests and benefits us all, for it is certain to increase our national agricultural productiveness.

But improvement of farm lands and increase of food supply are not the only important changes which may be brought about by improved rural credits. We may also expect that better credit facilities will increase the number of independent home-owners working their own lands and reduce the number, or at least reduce the proportion, of tenants laboring on the lands of absentee landlords. This would surely represent an advance, for in this country of ours there is already enough absentee landlordism on the farm to give us very serious cause for apprehension. We may hope, too, that improvement in rural credits will tend noticeably to check the drift of population to great cities, which, it is generally recognized, has gone too far for the good of the country. . . .

In the spring of 1913 a commission of seven members appointed by the President traveled through Europe co-operating with a commission made up of members appointed by governors of the several states and some of the Canadian provinces, to study agricultural-credit conditions in the Old World. This commission concluded from a study of European experience that long-term land-mortgage credit presents a problem so distinct from that of short-term personal credit that the two forms of credit cannot well be handled by the same bank or system of banks. The commission believed that the consideration of short-term personal credit should be deferred until after a land-mortgage system had been established, because the principles to be applied to the establishment of land-mortgage credit involve a more radical departure from existing practice in the United States and because it must remain uncertain to what extent existing institutions can cope with short-term agricultural credits until we shall have had the opportunity to observe the effect of the Federal Reserve act and an adequate land-mortgage system, both of which should have a distinctly helpful effect on agricultural short-term credits.

The commission appointed by the President embodied its recommendations for the establishment of an agricultural land-mortgage system in a spe-

cific bill, which was introduced simultaneously in the Senate by Senator Fletcher of Florida and in the House of Representatives by Representative Moss of Indiana in January, 1914. . . . This bill was generally condemned by farmers' organizations because it was believed that under the conditions prescribed joint-stock banks would be organized rather than co-operative banks and that the bill was on the whole rather a bankers' than a farmers' measure. . . .

. . . In January, 1910, the joint committee made its land-mortgage report to Congress, and submitted a bill to create an agricultural land-mortgage system, the bill being introduced simultaneously in the Senate by Senator Hollis and in the House by Mr. Moss.

This bill was debated and passed by both Houses with some amendments, but in all essentials it passed as reported by the joint committee. It is worth while to recall how nearly unanimously this measure was passed. It passed the Senate on May 4 by 57 to 5, and the House on May 15 by 295 to 10. The conference report was adopted in the House by 311 to 12 and in the Senate without objection. The act was approved by the President and became a law on July 17, 1916.

III

Those who were charged with framing agricultural land-mortgage legislation were confronted with the problem of making a national system to apply to lands under many state sovereignties and under greatly varying conditions of climate, soil, crops, character of ownership, and methods of cultivation; they were confronted on the one hand with the American farmer's individualism and lack of co-operative experience, and on the other hand with his distrust of a system operated by bankers for banking profits; they were called upon to devise a system of land appraisal liberal enough to satisfy the borrower, yet careful enough to satisfy the investor in land-mortgage bonds, and to devise a system of management efficient in operation yet without the payment of large salaries or commissions; they were called upon to reduce interest on farm mortgages without unduly enhancing values of farm lands; they had to establish long-term loans in a country in which the amortization system was practically unknown, and they had to reconcile widely divergent views as to the proper function of the government in the premises. There should be no surprise that the act as passed comprises 35 sections and covers 25 large pages. . . .

In presenting the bill to the Senate last April Senator Hollis said: "The plan has been criticized because it is cumbersome and complicated and because the bill is long. . . . But the bill is not really long. It is as long as it is in order to make the operation simple and certain. It is not cumbersome. There could not be anything simpler than this bill." This is substantially true. Yet the act contains nearly sixteen thousand words. A recital of all of its provisions would be tedious, and, unless special stress were laid on the vital points, it would tend only to confuse. For the present purpose the important things may be conveniently emphasized by the entire omission of minor details and technicalities. To get in a few words the essence of what is in the law, we may turn to the description of it that Senator Hollis gave to the Senate when he presented his bill:

> The pending rural-credits bill provides for a Farm-Loan Board which shall have general control over the system; twelve or more land banks which make loans on mortgage to the farmer; and many farm-loan associations which represent the farmers in their dealings with the land banks.
>
> The Farm-Loan Board is non-partisan, consisting of four members, in addition to the Secretary of the Treasury.
>
> Each land bank must have a capital of at least $500,000.[1] If the public does not subscribe the entire amount, the government will take the balance.
>
> The farm-loan associations are purely co-operative, made up entirely of borrowing farmers. Ten or more farmers may apply to the land bank of the district for a charter. Every farmer who wishes to borrow must become a member of the loan association, taking stock to the amount of 5 per cent of the face of his loan. The loan association takes out an equal amount of stock in the land bank, forwarding the money at once to the land bank. The land bank sends an official appraiser to examine the land, and, if the loan is made, forwards the funds to the farmer through the loan association.
>
> When the land bank has mortgages on hand to the amount of $50,000, it may issue a like amount of farm-loan bonds on the security of the mortgages as collateral. The land bank is limited in its issue of bonds to 20 times its capital and surplus. But as each borrower puts up 5 per cent of his loan in cash for capital stock, the issuing power of the land bank increases automatically.
>
> The loan associations are purely co-operative and may be of limited (double) liability or unlimited liability.[2] All mortgages taken by the land bank from the members of a loan association are indorsed by it. The mortgages from the two classes of associations are kept separate, and bonds issued on the unlimited liability mortgages should sell on a better basis than the others.
>
> Farm-loan bonds issued by any land bank are guar-

[1] This was amended. The act provides a minimum capital of $750,000.

[2] The "unlimited liability" provision was eliminated by amendment.

anteed by all the other land banks, so that they have a broad insurance.

Every farm-loan bond is secured as follows:

1. By the capital, reserves, and earnings of the land bank which issues it.

2. By the capital, reserves, and earnings of the 11 other land banks.

3. By the collective security of all the mortgages in its division (limited or unlimited) of the land bank, the mortgages pledged being at least equal in amount to the outstanding bonds.

Every mortgage pledged as collateral is secured as follows:

1. By the personal undertaking of the borrower.

2. By the security of the mortgaged land, in value at least double the amount of the loan.

3. By the capital, reserves, and earnings of the local association indorsing the loan.

4. By the individual liability of the members of the indorsing association.

It is believed that these bonds will be marketed at par on a 4 per cent basis. The maximum charge for expenses and profits of the system is 1 per cent on the face of outstanding mortgages, so that the farmer should get his money at 5 per cent. All the profits go to the loan associations in dividends and thus to the borrowers who are the shareholders in the local associations.

Loans to farmers are on long term, and may be as long as thirty-six[3] years. They are on the amortization plan, so that with each interest payment the borrower will pay in a small amount on his principal. If he pays in 1 per cent of the principal yearly, he will pay out in thirty-six years.

Loans must be on first mortgage and may not exceed 50 per cent of the appraised value of the land. The loan committee and the board of directors first pass on the value of the land and the character of the farmer. Before the land bank makes the loan its board of directors passes upon it and has the land appraised by a land-bank appraiser, who is a government official. In this way absolute safety is secured for each loan.

The interest of the members of the loan association is secured by their ownership of stock, and by their double or unlimited liability,[4] as the case may be. Most of the local work of investigation, collecting payments, and forwarding funds is done by them without expense. Their expenses will be very light.

The mortgages and farm-loan bonds will be exempt from taxation and the bonds will be a legal investment for trust funds.

It is believed that the system of land banks outlined affords a safe and attractive farm-land bond for the investing public; low interest rates, long-term mortgages, and easy payments for the farmers; low cost of administration; simplicity of organization and operation; adaptability to the needs of every section; and stimulation to the spirit of generous co-operation among farmers.

The system thus described is founded on sound principles. The mobilization of farm mortgages behind the several series of farm-loan bonds and the mutual guaranties of the Federal Land Banks make possible the creation of a national security in which investment may be made without the risks attendant upon the possible mismanagement or failure of individual farmers or upon sectional crop failures or catastrophes. Certainly through a period of years most of our farmers will succeed in paying their debts, and through this well-organized mobilization of mortgages will absorb the losses incident to individual failures, so that the investor will have a security so safe that he can afford to accept a return representing only the actual value of the use of the credit, without adding anything to compensate for the risk which has hitherto been involved in farm mortgages.

The exemption of the mortgages and farm-loan bonds from taxation only avoids double or treble taxation, since the lands which are the real basis of value remain subject to taxation according to the laws of the several states. The tax-exemption feature makes the bonds a more desirable investment and should substantially reduce the rate of interest demanded by the investor.

Another valuable feature of this co-operative land-mortgage system is that it is so organized that it will be to the advantage of all who have a voice in controlling it to reduce the interest rate to the farmer; all self-interest in raising rates has been eliminated. Quite properly whatever profits may arise from the operation of the system will ultimately go back to the borrowers in the form of dividends upon the stock of the local associations which they are required to purchase.

The amortization plan is established on absolutely sound principles. Amortization-plan loans cannot well be made by individual investors or by small institutions, since such lenders cannot use to advantage the small driblets of repayment on capital account which come in from year to year over a long period. Amortization loans should be made by institutions of large size, so that the annual amortization payments will be in sufficient volume for efficient reinvestment or for retiring obligations of the loaning institution. The concentration of the bond-issuing power in the twelve land banks adequately covers this point, as each of the institutions will undoubtedly have out enough loans so that the annual repayments on principal account will be considerable.

The act very wisely provides that the loans are

[3] Bill amended to provide for a maximum period of forty years.

[4] The "unlimited liability" provision was eliminated by amendment.

to be made through small local co-operative associations. This gives the system the benefit of the knowledge which the farming members have concerning neighborhood land values and the personal character and ability of the applicants for loans. We may be assured that this knowledge will be used to protect the banks against making questionable loans, since every loan is guaranteed by the local associations and thus its ultimate repayment is a matter of direct financial interest to each and every member stockholder of the association. Of course the land banks and bondholders are still further protected by the close government supervision provided.

Co-operation is relatively new to the American farmer, and we often hear it said that he will not take kindly to a system which forces his co-operation with his neighbors and makes known to them the details of his land-mortgage operations. There is no doubt some force in this, but the loan applications already received by the Federal Farm-Loan Board are abundantly sufficient to insure the successful inauguration of the system, and there is every reason to believe that the actual operation of the system will provide such an object-lesson in the benefits of farmers' co-operation that the objections which have been suggested will, as time goes on, more and more fade into insignificance. In order to accelerate the farmers' education in the co-operative idea as well as the other features of the operation of the Farm-Loan act, the Farm-Loan Board is authorized from time to time to prepare and distribute bulletins on the subject. With the help of this provision for propaganda the sound principles underlying the system should soon commend themselves to American farmers generally, and there is every reason to believe that the Farm-Loan act marks the beginning of a great and valuable co-operation among farmers hitherto unknown and believed to be impossible. . . .

The Farm-Loan act provides adequately for the mobilization of farm-mortgage credit; it establishes the amortization system of repayment; it provides adequately for care and conservatism coupled with real sympathy in the making of loans; and it provides some safeguards against the undue use of the benefits of the system for land speculation. It has given us a well-qualified and efficient Farm-Loan Board, and has committed the government, without party division, to the great task of establishing an adequate American agricultural land-mortgage system. A great reform, agitated and labored with for years, has already begun to bear fruit. and bids fair in the course of the next few years to fulfil most of the hopes that have been aroused by the discussion of it. . . .

THE UNITED STATES AND THE WORLD

SIR GEORGE PAISH

AMONG THE RESULTS of the panic of 1907 was the appointment of the National Monetary Commission to provide information for a legislative program of reform in the United States currency system. The Commission's most important activity was the publication of a series of monographs, among them Sir George Paish's study of the *Trade Balance of the United States*. Sir George (1867–), the distinguished English economist, who was a close student of American railway securities, discussed American foreign trade in its relation to the nation's specie reserve and currency system.

Of particular significance in Sir George's analysis was the description of America's position as a debtor nation. He pointed out that Britain was our chief creditor—having helped in the financing of many of the important railway systems of the United States—but that German, French, and other European investments were quite heavy. As offsets, and these were new developments, Americans were beginning to send capital out into the rest of the Western Hemisphere. On long-term and short-term operations, we owed $6,500,000,000; others owed us $1,500,000,000, leaving a net unfavorable balance of $5,000,000,000, which required a net payment by the United States annually of $225,000,000 to other countries for interest and dividends.

Ten years earlier, in 1900, an American, Nathaniel Bacon, had sought to arrive at an estimate of American obligations to foreigners. As of 1898, he calculated that British investments here totaled $2,500,000,000; Dutch $241,000,000; German $200,000,000; Swiss $75,000,000; French $50,000,000; Belgian $20,000,000; and Russian $15,000,000. In all, the total came to somewhat less than $3,000,000,000. American overseas investments, on the other hand, were still slight. The net result was an annual payment to foreigners of $90,000,000 for interest and dividends.

The selection here reprinted is from Sir George Paish, *Trade Balance of the United States* (Washington, 1910) and appeared as Senate Document No. 579, 61st Congress, 2d Session.

Trade Balance of the United States

BY SIR GEORGE PAISH

VIII: LENDING AND BORROWING COUNTRIES

PRIOR TO dealing specially with the trade balance of the United States it may be useful to discuss briefly the effect upon trade balances of the more important countries of the world of exports and imports of capital and of the receipt and payment of interest thereon. There is practically no country which neither exports nor imports capital with the exception of Thibet. This type of country may be left out of consideration. The chief countries which supply capital to other lands are Great Britain, Germany, France, Holland, Belgium, and Switzerland. Of these countries, Great Britain is by far the most important lender. This country has about $15,000,000,000 of capital invested abroad and is adding to its colonial and foreign investments at the rate of upwards of $500,000,000 a year. Germany and France come next with investments of about $8,000,000,000 each.

The investments of Holland, Belgium, and Switzerland are of much smaller amount, but are nevertheless considerable. The imports of all these five countries largely exceed their exports in consequence of the receipt of interest and of tourist expenditures. In the case of Great Britain the excess of imports over the exports is further largely increased by the earnings of British ships, the tonnage of which forms so large a portion of the world's international shipping facilities. The fleets of other countries are not much more than sufficient to take care of their own trade in the aggregate; indeed, in most cases they are insufficient for this purpose, and the deficiency is made good by the British mercantile marine.

The principal countries whose exports exceed their imports in consequence of the large amount of interest they have to pay on capital borrowed from other lands are the United States, the Australasian colonies of Great Britain, British India, Argentina, Brazil, and Mexico. Several other countries whose imports now exceed their exports will eventually come into this category. At the present time Canada's imports largely exceed her exports in consequence of the vast amount of capital—about $200,000,000 a year—which she is borrowing from other lands—almost entirely from Great Britain. In the course of time the Canadian indebtedness to other countries and the expenditures of her tourists, etc., will be so great that her exports will exceed her imports, although large amounts of capital will continue to flow into the country each year. Of course Canada will have no difficulty in making these interest payments, having regard to the rapid growth in the annual amount of wealth created by means of the capital she is importing. China, Japan, and Chile are other instances of borrowing countries whose imports exceed their exports in consequence of the inflow of large amounts of foreign capital.

Parenthetically, I would ask the reader to note that in the case of the United States the excess of exports over imports arises only in part from payment of interest on capital previously borrowed. The excess of exports is in part due to the expenditures of American visitors to Europe, to Egypt, and elsewhere, in part to the remittance of money by American citizens to friends in other lands, and in part to the payment for ocean transport of freight. But at the moment I wish to refer more particularly to the effect upon trade balances of the lending and borrowing of capital and of the receipt and payment of interest thereon. In this respect it should be noted that Great Britain is by far the largest lender of capital, and that the United States has obtained a greater amount of capital from other countries than any other State, that in the case of Great Britain the great balance of imports over exports is mainly due to the receipt of interest on capital invested in other lands, and that in the case of the United States the excess of exports over imports arises in large part from the payments of interest upon capital borrowed from other countries. . . .

. . . Great Britain possesses about $3,500,000,000 of American securities. To this sum has to be added the considerable amounts invested by the Continent. Large amounts of German, Dutch, and French capital are embarked in American undertakings, principally railways. A statement drawn up in 1902 at the instance of the French Minister of Finance from reports supplied by French diplomatic agents and consuls in various parts of the world placed the total amount of French capital invested at that time in the United States at 600,000,000 francs, or $120,000,000, but this figure appears to have been an underestimate. It is true that few issues of American securities are publicly quoted on the Paris Bourse, but relatively large amounts have been purchased privately by French investors in London and in New York. The French investments in the United States, including the Pennsylvania Railroad and other loans placed in Paris since 1902, amount to nearly 2,500,000,000 francs, or $500,000,000.

Estimates of the amount of capital invested by Germany in the United States were made in 1905 by the German Admiralty and published in a work entitled "Die Entwicklung der Deutschen Seeinteressen im letzten Jahrzehnt." These estimates placed the amount of German capital in the United States and Canada in 1904 at from 2,500,000,000 marks to 3,000,000,000 marks, say, $625,000,000 to $750,000,000. Since 1904 considerable additional sums of German capital have been invested in the United States. German bankers place the amount of the German investments in American securities at about $1,000,000,000. The amount of Dutch capital in the United States is about $750,000,000. American securities are also held in Belgium, Switzerland, and in other countries. In the aggregate the amount of European capital invested in "permanent" securities in the United States is approximately $6,000,000,000.

Beyond the fixed capital invested by Europe in the United States account has to be taken of the floating loans made by Europe to America. These floating loans are mainly incurred in the spring and summer months in anticipation of the produce shipments from the States in the fall months and they are then largely liquidated. The amount of the floating debt of the United States to Europe

in the form of produce bills, finance bills, loans against securities, overdrafts, etc., averages about $400,000,000, reaching a larger sum in July and early August and falling to a much lower sum at the end of December. The rate of interest paid upon this floating debt insofar as it consists of produce bills is a very low one, the rate of interest charged on this class of loan being less than that on any other kind of security.

Including both the fixed investments and the floating loans, the amount of capital borrowed by the United States from other countries is about $6,500,000,000, the annual interest charge upon which is about $300,000,000.

An offset to the large amount of capital invested in the United States is the capital invested by American citizens in other countries, more especially in Mexico, Canada, in the South American States, in the Philippines, in Cuba, etc. It is true that a portion of the capital of these foreign undertakings in which American capital is invested has been provided by European investors; nevertheless, as these corporations are American and the amounts invested in the United States by Europe include investments in these foreign companies, it is necessary to place the interest received from these foreign investments by American corporations against the interest paid to Europe. Beyond the capital of public corporations which have been formed under state laws in America the capital invested privately by American citizens in other lands reaches to a considerable total. The amount of American capital invested in other lands in this manner both publicly and privately is probably $1,500,000,000, yielding an income of about $75,000,000 a year. By deducting the interest—$75,000,000—received upon American capital placed abroad from the interest—$300,000,000—which the United States pay upon capital supplied to them by other lands, I arrive at a net payment of $225,000,000 by the United States to other countries for interest and dividends upon capital. This sum the United States has to remit each year by exports of produce.

XVII: Effect upon United States Trade Balance of Imports and Exports of Capital

I have already shown that European countries, especially Great Britain, make large investments in the United States. The inflow of this capital is more or less spasmodic. At times the amount invested in a single year reaches to large figures, at others there is practically no investment of new capital, while on rare occasions the United States pays back a portion of the capital previously borrowed. These movements of capital into and out of the country powerfully affect either the imports or the exports. In periods of capital inflow the imports of goods are swollen, while exports are relatively light. Capital can only be imported by one country from another by the remittance of goods, hence the effect upon imports or upon exports of the import or repayment of capital. Nevertheless, it is necessary to recollect that the obligations of the borrowing countries to the lending countries is, after a period of years, much greater than is indicated by the amount of capital actually received by that country. Not infrequently the undertakings in which foreign capital is invested use a large portion of their profits for betterments and for capital purposes, and do not distribute it in dividends. The retention of this profit for capital expenditure increases the indebtedness of the borrowing countries, although no actual remittance of capital from one country to the other has taken place. Undivided profits of one year become capital in the next. This practice of using profits for capital purposes is responsible for no inconsiderable portion of the capital invested by other countries in the United States. Thus, if it were possible to ascertain the actual amount of capital that was remitted from other countries to the United States, the total would not nearly reach the amount of capital now belonging to other nations and employed by the United States. The method of raising capital for railway companies in the past has largely contributed to securing for the United States a larger amount of capital than that which was directly borrowed. A great number of the railways of the country raised their capital by selling bonds to Europe, and to place the bonds they issued a considerable amount of common stock for which no additional payment was required. By accumulating profits instead of by dividing them in dividends, and by using those profits for capital purposes, the stock which was originally issued as an inducement to investors to subscribe for bonds has been gradually paid up, and at the present time the railway companies possess actual assets to an extent equal to if not exceeding the nominal amount of their bonds and stock. This latter method of borrowing capital does not appreciably affect either exports or imports. If anything, it tends to check both the exports and the imports, as it means that the borrowing country has to remit a smaller amount to other lands for interest and has to receive a smaller amount of foreign produce for capital investment. On the whole, however, the investment of capital through the accumulation of profits has very little immediate effect either upon imports or upon the exports. Ultimately, of course, by increasing the productive power of the country and increasing its ability to exchange produce for the goods of

other countries, it tends to increase both the exports and the imports. Further, the payment of interest upon capital accumulated in this manner to its owners in other lands increases the exports of produce but not the imports.

The inflow of capital from other countries is sometimes nearly $250,000,000 in a year and, on the other hand, the repayments have reached to about $150,000,000 in a year. The normal course of events, however, is for capital to flow into the United States year after year and for repayments to be made but very seldom.

All through the earlier years of the last century up to the later seventies capital was sent into the United States in considerable amounts, and this explains the reason for the large excess of imports over the exports in this period notwithstanding the increasing annual payments of interest to other lands and the considerable annual sums that even then were expended for tourist outlays, remittances to friends, and ocean freights.

In the later seventies a wave of distrust passed over Europe and for the moment investments of capital by Europe in the United States came to an end. This explains the reason for excesses of exports over imports of $262,000,000 in 1878 and of $270,000,000 in 1879 in place of an excess of imports over exports of $116,000,000 in 1872. These figures include the combined balances of merchandise and the precious metals.

In the eighties capital was invested very freely in the United States by Europe, and notwithstanding the very large amount of the annual interest and dividend obligations, expenditures by tourists, and remittances to friends, the imports into the United States again exceeded the exports in 1888 by a sum of $40,000,000, a figure which reflected the very large inflow of capital in that year.

The financial crisis which took place in July, 1893, again checked the imports of capital into the country and the exports once more began to exceed the imports by large sums annually. The obligations of the United States to Europe were curtailed at this time by default of interest and absence of dividends upon large amounts of railway stocks and bonds. Further, the severe depression greatly diminished American tourist expenditures in other lands and severely contracted the remittances to friends. With the recovery in trade that took place in 1897 and 1898 interest payments were largely resumed and expenditures became freer. Nevertheless the economy of the American people was so great that the excess of exports over imports rose to figures which enabled a considerable amount of the capital previously invested in the States to be repaid. This is the explanation for an excess of $534,000,000 of exports over imports —merchandise, gold, and silver—in 1898, of an excess of $504,000,000 of exports over imports in 1898–99, of $570,000,000 in 1899–1900, and of $680,000,000 in 1900–1901. In these four years not only did the United States borrow no fresh capital from abroad, but it repaid considerable sums beyond meeting its interest obligations, tourist expenditures, and making remittances to friends.

The great prosperity of the country since 1901 has enabled the American people to resume their normal rate of expenditure, and in this period they have again imported large amounts of capital from abroad. I calculate that in the past year to June, 1909, European countries invested about $184,000,000 in the country. In this period the excess of merchandise exports over imports has been $351,000,000, the excess of gold exports over imports has been $48,000,000, the excess of silver exports over imports has been $12,000,000, and the total excess of exports over imports has been $411,000,000, whereas the sum needed to cover interest payments, tourist outlays, remittances to friends, and freight charges has been about $595,000,000. The difference between the two sums has been met by investments of capital by Europe in the United States. Perhaps the situation will be more clearly realized if I set it out in tabular form.

This balance of $184,000,000 has been liquidated by permanent or temporary investments of capital by other countries in the United States.

Foreign trade of the United States, 1908–9

Merchandise:			
Exports—			
Domestic	$1,638,000,000		
Foreign	25,000,000		
Total		$1,663,000,000	
Imports		1,312,000,000	
Excess of merchandise exports over imports			$351,000,000
Gold:			
Exports		$92,000,000	
Imports		44,000,000	
Excess of gold exports over imports			48,000,000

Silver:		
Exports	$56,000,000	
Imports	44,000,000	
Excess of silver exports over imports	12,000,000	
Total excess of merchandise, gold, and silver exports over imports		$411,000,000
Remittances for interest, etc.:		
Interest	$250,000,000	
Tourist expenditures	170,000,000	
Remittances to friends	150,000,000	
Freight	25,000,000	
Total remittances		595,000,000
Excess of sum remitted for interest, tourists, to friends, and for freights over trade balance		184,000,000

THEODORE ROOSEVELT

In February, 1904, within three months of Theodore Roosevelt's recognition of the Republic of Panama, his Secretary of State, Elihu Root, undertook to justify that action not on grounds of national interest, but as an instance of ethical conduct between states. To reach that conclusion, Elihu Root turned to the treaty of 1846, by which the United States guaranteed freedom of transit across the isthmus of Panama. Had we then permitted Colombian troops to land and suppress the Panama Revolution last October, the ensuing struggle might have been prolonged to the point where such free transit would be hindered. Since the United States stood charged with responsibility for maintaining free passage, it was necessary for it to recognize Panamanian independence if it meant to fulfill its international obligations.

Though Theodore Roosevelt (1858–1919) had followed Root's argument in his message to Congress of January 4, 1904, he spoke more forthrightly in his *Outlook* article seven years later. From first to last, said Roosevelt, he had acted in the interest of the United States and of the world's commerce. We had been in the right when we demanded that Colombia accept the Hay-Herran convention precisely as drafted, and we had been in the right when we paid the New Panama Canal Company $40,000,000. The Panama revolt was inevitable and the duty of the United States government completely clear: the end justified the means of its attaining and an American president must necessarily prefer the interests of the people of the United States to that of any group of bandits, "foreign or domestic."

But the background of American intervention was not quite so simple. In 1894, a New Jersey corporation, the Panama Canal Company of America, was organized. It exchanged its securities for those of the New Panama Canal Company, which had taken over the rights of the De Lesseps organization on the latter's failure to construct an isthmian canal. Soon after, the agents of the new company, William N. Cromwell of New York and Philippe Bunau-Varilla, representing French interests, began their effort to sell their rights to the United States before 1904, when those rights would revert to the Colombian government.

The first purpose of the canal company agents was to keep Congress from ordering the canal to be dug across Nicaragua. And here nature aided. Although a congressional committee had recommended the Nicaragua route in 1901, volcanic eruptions on the island of Martinique, and even on the Nicaraguan mainland, produced a change in American opinion. The Spooner Act of 1902, therefore, provided that the canal be built across Panama if arrangements with Colombia could be concluded within a "reasonable time."

The Hay-Herran pact between the United States and Colombia was drafted at the turn of 1903, accordingly. By its terms, the United States acquired what Colombia considered sovereign rights over the canal strip, and Colombia was required to waive any claim to a share in the $40,000,000 set as the price the United States was prepared to pay for the rights of the New Panama Canal Company.

The Colombian Congress delayed action on the pact. Time went by, and one may infer anxiety among the agents of the canal company. Then Colombia refused to ratify the Hay-Herran convention. To some Americans, including the President, Colombia was attempting to levy blackmail on the United States to the sum we seemed bound to pay for the canal company's rights. Other Americans, less clear-sighted perhaps, could not appreciate the distinction between $40,000,000 paid into the treasury of a Latin American semidictatorship and the same amount paid to a corporation whose control seemed obscure at the time and proved impossible to ascertain on investigation later.

Roosevelt would not pay tribute to a Colombian Congress, however, nor would he obey the behest of his own legislature and accept the longer—and possibly volcanic—Nicaragua route because of Colombia's procrastination. Instead, he studied the case for the United States to exercise a right of "eminent domain" over the Isthmus and listened, noncommittally, to the protests of the canal-company agent, Bunau-Varilla.

During that summer of 1903, Cromwell and Bunau-Varilla were talking of a revolution to promote the secession of Panama from Colombia. With the administration's insistence that Bogota ratify the Hay-Herran pact without modification for evidence, the representatives of the canal company decided that the United States would not be likely to permit Colombia to reduce a Panama rising by force.

The likelihood of trouble on the Isthmus seemed so patent by mid-October, 1903, that the United States ordered its navy to hold warships within striking distance. The Panama insurgents did not move until November third. On the fourth, Colombian troops were refused passage across the Isthmus. Two days later, Panama proclaimed its independence and, within an hour, the United States recognized the revolutionists as a *de facto* government.

The rest of the story is familiar enough: Panama granted the United States jurisdiction over the ten-mile strip within which the canal was to be built; the canal company received its $40,000,000; and work began on the canal. In 1914, Wilson recommended that $25,000,000 be paid to Colombia. Senate Republicans led by Henry Cabot Lodge blocked the agreement. But when a Republican once again occupied the White House, and Colombian petroleum deposits had become important, even Lodge did not protest against the payment to Colombia. By this time, Roosevelt was no longer alive to defend himself.

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The Panama Canal

BY THEODORE ROOSEVELT

How the United States Acquired the Right to Dig the Panama Canal

No other great work now being carried on throughout the world is of such far-reaching and lasting importance as the Panama Canal. Never before has a work of this kind on so colossal a scale been attempted. Never has any work of the kind, of anything approaching the size, been done with such efficiency, with such serious devotion to the well-being of the innumerable workmen, and with a purpose at once so lofty and so practical. No three men in the service of any Government anywhere represent a higher, more disinterested, and more efficient type than the three men now at the head of this work—the Secretary of War, Mr. Stimson; Col. Goethals, the man who is actually doing the digging; and Dr. Gorgas, who has turned

one of the festering pestholes of the world into what is almost a health resort. In eighteen months or so the canal will probably be in shape that will warrant sending small vessels through it to test its actual working. Under these circumstances, it is worth while to remember just how it was that America won for itself and the world the right to do a world job which had to be done by some one, and the doing of which by anyone else would have been not merely a bitter mortification but a genuine calamity to our people.

On December 7, 1903, and again on January 4, 1904, as President of the United States, in messages to the two Houses of Congress, I set forth in full and in detail every essential fact connected with the recognition of the Republic of Panama, the negotiation of a treaty with that Republic for building the Panama Canal, and the actions which led up to that negotiation—actions without which the canal could not have been built, and would not now have been even begun. Not one important fact was omitted, and no fact of any importance bearing upon the actions or negotiations of the representatives of the United States not there set forth has been, or ever will be, discovered, simply because there is none to discover. It must be a matter of pride to every honest American, proud of the good name of his country, that the acquisition of the canal and the building of the canal, in all their details, were as free from scandal as the public acts of George Washington and Abraham Lincoln.

The facts were set forth in full at the time in the two messages to which I have referred. I can only recapitulate them briefly, and in condensed form. Of course there was at the time, and has been since, much repetition of statements that I acted in an "unconstitutional" manner, that I "usurped authority" which was not mine. These were the statements that were made again and again in reference to almost all I did as President that was most beneficial and most important to the people of this country, to whom I was responsible, and of whose interests I was the steward. The simple fact was, as I have elsewhere said, that when the interest of the American people imperatively demanded that a certain act should be done, and I had the power to do it, I did it unless it was specifically prohibited by law, instead of timidly refusing to do it unless I could find some provision of law which rendered it imperative that I should do it. In other words, I gave the benefit of the doubt to the people of the United States, and not to any group of bandits, foreign or domestic, whose interests happened to be adverse to those of the people of the United States. In my judgment, history had taught the lesson that the President has very great powers if he chooses to exercise those powers; but that, if he is a timid or selfish man, afraid of responsibility and afraid of risks, he can of course manufacture ingenious excuses for failure to exercise them. At a great crisis in American history Mr. Buchanan had shown himself to belong to the latter type of President; Mr. Lincoln had represented the other type, the type which gave the people the benefit of the doubt, which was not afraid to take responsibility, which used in large fashion for the good of the people the great powers of a great office. I very strongly believe that Abraham Lincoln had set the example which it was healthy for the people of the United States that their President should follow.

For many years prior to 1903 our Government had been negotiating with foreign powers to provide for the building of a Panama Canal. By 1902, on the conclusion of the Hay-Pauncefote treaty, we had cleared the way sufficiently to enable Congress to pass an act actually providing for the construction of a canal across the Isthmus. By this act the President was authorized to secure for the United States the property of the French Panama Canal Co. and the perpetual control of a strip of territory across the Isthmus of Panama from the Republic of Colombia within a reasonable time and at a reasonable price, and, if the endeavor failed, the adoption of the Nicaragua route was authorized.

In October and November, 1903, events occurred on the Isthmus of Panama which enabled me, and which made it my highest duty to the people of the United States, to carry out the provisions of the law of Congress. I did carry them out, and the canal is now being built because of what I thus did. It is also perfectly true that, if I had wished to shirk my responsibility, if I had been afraid of doing my duty, I could have pursued a course which would have been technically defensible, which would have prevented criticism of the kind that has been made, and which would have left the United States no nearer building the canal at this moment than it had been for the preceding half century. If I had observed a judicial inactivity about what was going on at the Isthmus, had let things take their course, and had then submitted an elaborate report thereon to Congress, I would have furnished the opportunity for much masterly debate in Congress, which would now be going on—and the canal would still be 50 years in the future.

The interests of the American people demanded that I should act just exactly as I did act; and I

would have taken the action I actually did take even though I had been certain that to do so meant my prompt retirement from public life at the next election, for the only thing which makes it worth while to hold a big office is taking advantage of the opportunities the office offers to do some big thing that ought to be done and is worth doing.

Under the terms of the act the Government finally concluded a very advantageous agreement with the French Canal Co. The French Co. had spent enormous sums on the Isthmus. We felt justified in paying the company only a very small fraction of what it had thus spent. The treaty we made was advantageous to us in a very high degree, and we got what in value was much more than what we paid for it; but the French Co. did get something, and if we had not stepped in it would have gotten absolutely nothing. Every step taken by the Government in connection with its negotiations with the French Co. and the payment to its official representatives in accordance with the agreement entered into was taken with the utmost care, and every detail has been made public. Every action taken was not merely proper, but was carried out in accordance with the highest, finest, and nicest standards of public and governmental ethics. Doubtless in Paris, and perhaps to a lesser extent in New York, there were speculators who bought and sold in the stock market with a view to the varying conditions apparent from time to time in the course of the negotiations, and with a view to the probable outcome of the negotiations. This was precisely what speculators did in England in connection with the outcome of the Battle of Waterloo, and in our own country in connection with Abraham Lincoln's issuance of the emancipation proclamation and other acts during the Civil War. The rights of the French Co. having been acquired, and the difficulties caused by our previous treaties having been removed by the Hay-Pauncefote treaty, there remained only the negotiations with the Republic of Colombia, then in possession of the Isthmus of Panama. Under the Hay-Pauncefote treaty it had been explicitly provided that the United States should build, control, police, and "protect" (which incidentally means to fortify) the canal. The United States thus assumed complete responsibility for, and guaranteed the building of, the canal. Nearly 50 years before, our Government had announced that it would not permit the country in possession of the Isthmus "to close the gates or interfere" with opening one of the "great highways of the world," or to justify such an act by the pretension that this avenue of trade and travel belonged to that country and that it chose to shut it. We had always insisted upon the doctrine thus declared, and at last the time had come when I could reduce it to action. We negotiated with the representatives of Colombia a treaty for building the canal, a treaty which granted to Colombia even greater advantages than were subsequently granted to the Republic of Panama, a treaty so good that after it had been rejected by Colombia, and after we had recognized Panama, Colombia clamored for leave to undo the past and enter into the treaty. But the Colombian Government, for reasons which, I regret to say, were apparently very bad indeed, declined to consummate the treaty to which their representatives had agreed. The Isthmus of Panama was then a part of the Colombian Republic, and the representatives of Panama in the Colombian legislature at once warned Colombia that the people of Panama would not submit quietly to what they regarded as an utter ignoring of their vital interests. We also, courteously and diplomatically, but emphatically, called the attention of the Colombia representatives to the very serious trouble they were certain to bring upon themselves if they persisted in their action. I felt very strongly that the position that the one-time Secretary of State, Cass, had taken nearly 50 years before was the proper position, and that the United States would be derelict to its duty if it permitted Colombia to prevent the building of the Panama Canal. I was prepared, if necessary, to submit to Congress a recommendation that we should proceed with the work in spite of Colombia's opposition, and indeed had prepared a rough draft of a message to that effect, when events on the Isthmus took such shape as to change the problem.

The Isthmus was seething with revolutionary spirit. The central government of the Republic of Colombia was inefficient and corrupt. Lawlessness had long been dominant in every branch. During a period of something like 70 years there had been only one or two instances in which a president had served out his term. The Republic had repeatedly undergone internal convulsions which completely changed its aspect. Our Government first entered into a treaty with the possessors of the Isthmus of Panama in 1846. At that time the nation with which we treated was known as New Granada. After a while New Granada split up and the Republic of Columbia, another confederation, took its place; and Panama was at one time a sovereign state and at another time a mere department of the consecutive confederations known as Colombia and New Granada. In addition to scores of revolutions which affected successively New Granada and Columbia as a whole, the Isthmus of Panama during 57 years saw 53 revolutions, re-

bellions, insurrections, civil wars, and other outbreaks, some of the revolutions being successful, some unsuccessful, one civil war lasting nearly three years and another nearly a year. Twice there had been attempted secessions of Panama, and on six different occasions the marines and sailors from United States warships were forced to land on the Isthmus in order to protect property and to see that transit across the Isthmus was kept clear, a duty we were by treaty required to perform, for by treaty we already possessed and exercised on the Isthmus certain proprietary rights and sovereign powers which no other nation possessed. On four different occasions the Government of Colombia itself requested the landing of troops to protect its interests and to maintain order on the Isthmus—the order which it was itself incompetent to maintain. On several different occasions only the attitude of the United States prevented European powers from interfering on the Isthmus. In short, Colombia had shown itself utterly incompetent to perform the ordinary governmental duties expected of a civilized State; and yet it refused to permit the building of the canal under conditions which would have perpetuated its control of the Isthmus and which would at the same time have put a stop to what can legitimately be called government by a succession of banditti. The United States would have shown itself criminal, as well as impotent, if it had longer tolerated this condition of things.

I was prepared to advocate our openly avowing that the position had become intolerable, and that, in pursuance of our duty to ourselves as well as to the world, we should begin the building of the canal. But my knowledge—a knowledge which, as regards most of the essential points, was shared by all intelligent and informed people—of the feeling on the Isthmus was such that I was quite prepared to see the people of the Isthmus themselves act in such a way as to make our task easier. They felt that it was of vital importance to them to have the canal built, for they would be its greatest beneficiaries; and therefore they felt such bitter indignation at Colombia's indifference to their interests and refusal to permit the fruition of their hopes that among them there was a literally unanimous desire for independence. Not only was there not a single man on the Isthmus who wished to perpetuate Colombian control, but all Colombians sent hither, even the soldiers, after a very short residence grew to share the desire of all Panamans for the establishment of a separate republic. Hitherto the knowledge that the United States would interfere to stop all disturbances on the Isthmus that interrupted traffic across it had resulted to the benefit of Colombia, and it was this knowledge that had been the chief preventive of revolutionary outbreak. The people of Panama now found themselves in a position in which their interests were identical with the interests of the United States, for the Government of Colombia, with elaborate care, and with a shortsightedness equal to its iniquity, had followed out to its end the exact policy which rendered it morally impossible as well as morally improper for the United States to continue to exercise its power in the interest of Colombia and against its own interest and the interest of Panama. There was no need for any outsider to excite revolution in Panama. There were dozens of leaders on the Isthmus already doing their best to excite revolution. It was not a case of lighting a fuse that would fire a mine—there were dozens of such fuses being lit all the time; it was simply a case of its ceasing to be the duty of the United States to stamp on these fuses, or longer to act in the interest of those who had become the open and malignant foes of the United States—and of civilization and of the world at large.

Every man who read the newspapers knew that with the failure of Colombia to ratify the Hay-Herran treaty, revolutionary attempts became imminent on the Isthmus. The papers published on the Isthmus themselves contained statements that these revolutions were about to occur, and these statements were published in the Washington and New York and New Orleans papers. From these published statements it appeared that if the canal treaty fell through, a revolution would in all probability follow, that hundreds of stacks of arms were being imported, that the Government forces in Panama and Colon were themselves friendly to the revolution, and that there were several distinct and independent centers of revolutionary activity on the Isthmus. It was also announced that the Government at Colombia was hurrying preparations to send troops to Panama to put down the revolution. Of course I did not have to rely merely upon what I saw in the newspapers. From various sources I had gathered enough to satisfy me that the situation was at least as bad as the papers depicted it. Through two Army officers who had visited the Isthmus in September I gained concrete and definite information. They informed me that, owing to the dissatisfaction because of the failure of Colombia to ratify the Hay-Herran treaty, a revolution was certain to break out on the Isthmus, and that the people were in favor of it, and that it might be expected immediately on the adjournment of the Colombian Congress without ratification of the treaty. In response to my questioning

they said they were certain that a revolution—several different revolutionary movements were being planned independently of one another—would occur immediately after the adjournment of the Colombian Congress in October; while on the Isthmus they had calculated that it would not occur until after October 20, because not until then would a sufficient quantity of arms and munitions have been landed to supply the revolutionaries. Acting in view of all these facts, I sent various naval vessels to the Isthmus. The orders to the American naval officers were to maintain free and uninterrupted transit across the Isthmus, and, with that purpose, to prevent the landing of armed forces with hostile intent at any point within 50 miles of Panama. These orders were precisely such as had been issued again and again in preceding years—1900, 1901, and 1902, for instance. They were carried out. Their necessity was conclusively shown by the fact that a body of Colombian troops had landed at Colon and threatened a reign of terror, announcing their intention of killing all the American citizens in Colon. The prompt action of Capt. Hubbard, of the gunboat *Nashville*, prevented this threat from being put into effect; he rescued the imperiled Americans, and finally persuaded the Colombian troops to reembark and peacefully return to Colombia.

With absolute unanimity the people of the Isthmus declared themselves an independent republic, and offered immediately to conclude with our Government the treaty which Colombia had rejected, and to make its terms somewhat more favorable to the United States. No bloodshed whatever had occurred, and it could not occur unless we permitted Colombian troops to land. The Republic of Panama was the de facto Government and there was no other on the Isthmus. There were, therefore, two courses open to us. One was to turn against the people who were our friends, to abandon them, and permit the people who were our foes to reconquer Panama, with frightful bloodshed and destruction of property, and thereby to reestablish and perpetuate the anarchic despotism of the preceding 50 years—inefficient, bloody, and corrupt. The other course was to let our foes pay the penalty of their own folly and iniquity and to stand by our friends, and, as an incident, to prevent all bloodshed and disturbance on the Isthmus by simply notifying Colombia that it would not be permitted to land troops on Panama. Of course we adopted the latter alternative. To have adopted any other course would have been an act not merely of unspeakable folly but of unspeakable baseness; it would have been even more ridiculous than infamous. We recognized the Republic of Panama. Without firing a shot we prevented a civil war. We promptly negotiated a treaty under which the canal is now being dug. In consequence Panama has for eight years enjoyed a degree of peace and prosperity which it had never before enjoyed during its four centuries of troubled existence. Be it remembered that unless I had acted exactly as I did act there would now be no Panama Canal. It is folly to assert devotion to an end, and at the same time to condemn the only means by which the end can be achieved. Every man who at any stage has opposed or condemned the action actually taken in acquiring the right to dig the canal has really been the opponent of any and every effort that could ever have been made to dig the canal. Such critics are not straightforward or sincere unless they announce frankly that their criticism of methods is merely a mask and that at bottom what they are really criticising is having the canal dug at all.

The United States has done very much more than its duty to Colombia. Although Colombia had not the slightest claim to consideration of any kind, yet, in the interests of Panama, and so as to close all possible grounds of dispute between Panama and Colombia, the United States some time ago agreed to a triparty treaty between herself, Colombia, and Panama, by which, as a simple matter of grace and not of right, adequate and generous compensation would have been given Colombia for whatever damage she had suffered; but Colombia refused to agree to the treaty. On this occasion, in my judgment, the United States went to the very verge of right and propriety in the effort to safeguard Panama's interests by making Colombia feel satisfied. There was not the slightest moral obligation on the United States to go as far as she went; and at the time it seemed to me a grave question whether it was not putting a premium upon international blackmail to go so far. Certainly nothing more should be done. There is no more reason for giving Colombia money to soothe her feelings for the loss of what she forfeited by her misconduct in Panama in 1903 than for giving Great Britain money for what she lost in 1776. Moreover, there is always danger that in such cases an act of mere grace and generosity may be misinterpreted by the very people on whose behalf it is performed, and treated as a confession of wrongdoing. We are now so far away from 1776 that this objection does not apply in that case, and there would be no particular reason why any sentimental persons who feel so inclined should not agitate to have Great Britain paid for the nervous strain and loss of property consequent upon our action in that year and the

immediately subsequent years. But we are still too near the Panama incident to be entirely certain that base people would not misunderstand our taking such action in her case; and as there was literally and precisely as much moral justification for what we did in Panama in 1903 as for what we did in our own country in 1776—and, indeed, even more justification—it is as foolish now to claim that Colombia is entitled, or ever has been entitled, to one dollar because of that transaction as to claim that Great Britain is entitled to be compensated because of the Declaration of Independence.

Not only was the course followed as regards Panama right in every detail and at every point, but there could have been no variation from this course except for the worse. We not only did what was technically justifiable, but we did what was demanded by every ethical consideration, national and international. We did our duty by the world, we did our duty by the people of Panama, we did our duty by ourselves. We did harm to no one save as harm is done to a bandit by a policeman who deprives him of his chance for blackmail. The United States has many honorable chapters in its history, but no more honorable chapter than that which tells of the way in which our right to dig the Panama Canal was secured and of the manner in which the work itself has been carried out.

COROLLARY TO THE MONROE DOCTRINE

In 1823, James Monroe declared the Western Hemisphere closed to European colonizers. Henceforth, any European effort to subvert the independence of an American nation or to extend European systems across the Atlantic would be considered an unfriendly act by the United States. This seemed plain enough; but by 1905 the Monroe Doctrine was being given a new reading.

For by 1905, nations had discovered that defaulted debts were as serviceable an entering wedge for the establishment of political control as had been the "factories" of the old trading companies. And Latin America was admirably suited for such ventures in the development of trade. Though constitutional in form, many Latin American governments were military dictatorships in fact. The ruling elements in those dictatorships won profit from their power, a fact which encouraged violent struggles for control of governments and indiscretion in the incurring of debt.

Political instability and defaulted payments on such obligations had established a pattern for foreign intervention as early as the 1850s. In 1902, the principal foreign creditors of dictator-ridden Venezuela delivered an ultimatum, withdrew their legations, and planned to seize the Venezuelan gunboats and then blockade Venezuelan ports unless the nation made good her debts and paid an indemnity for damage to the property and persons of foreigners. Though Great Britain took the lead in advocating intervention, it was Germany which, in 1901, informed the United States that Venezuelan default might force temporary seizure of the country's customs houses. Not until the following year did the Germans proceed to action, however, and action was then taken jointly with Great Britain, whose leaders had declared they did not intend to land troops or occupy Venezuelan territory. In December, 1902, the British, German, and Italian governments ordered a formal blockade. The American government, in the meantime, had been making efforts to prevent prolonged display of force. American bankers attempted to arrange a financial settlement; the American ambassadors at Berlin and in London transmitted an indefinite Venezuelan proposal for arbitration. After some hedging, and with the reservation of certain claims, both Britain and Germany finally justified the United States hope that the Powers would agree to arbitrate.

The Venezuelan government, which had insisted that the claims be settled in her courts and according to her law, was thus forced to submit to a diplomatic settlement. The United States refused to serve as arbitrator, though both sides requested her to act. Part of the controversy was referred to the Hague Tri-

bunal accordingly and the remainder to a mixed claims commission.

It was after this incident that the Roosevelt Corollary to the Monroe Doctrine began to take shape. Again, debt and disorder provoked foreign intervention and again the United States was involved in the controversy. In this instance, it was Santo Domingo which precipitated the conflict. The dictator in power until 1899 had borrowed far beyond Santo Domingo's ability to pay interest out of current revenues. The men who seized the government, when assassination ended the dictator's thirteen years of rule, proceeded to repudiate the debt he had incurred and to use the Dominican revenues for their own benefit. Quarrels among the revolutionary leaders kept the island in disorder even after a two-year civil war had abated: intrigue continued; foreign creditors pressed their governments to help them collect. In 1901, the receipts of specific customs houses were pledged to the French and Belgian governments. Two years later, the German, Italian, and Spanish governments secured a pledge of monthly payments from customs to their nationals. In 1904, the arbitrators appointed to devise the manner of paying the $4,500,000 owed the Santo Domingo Improvement Company, an American firm, decided that in default of payment, the company was to have a customs house assigned to it. Since this threatened the lien of the other foreign claimants, European intervention seemed likely. To prevent that, the Dominican President turned to the United States on the assumption that American financial agents in his customs houses might assure the stability of his government.

It was the suggestion of the United States Minister, at the direction of Secretary of State John Hay, which finally urged the Dominican President to a course opposed by his cabinet and people. Though even Roosevelt was not eager for American intervention in the Dominican tangle, the danger of a possible foreign intervention on the Venezuelan pattern won him to action. On December 2, 1904, in his message to Congress, Roosevelt made this bold announcement:

"If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power."

That month, Roosevelt dispatched a naval officer as special commissioner to Santo Domingo. Discussions now were opened up and a treaty was negotiated. It provided for United States control of Dominican customs houses: 55 percent of their revenues were to be turned over to the country's creditors while the government received the remainder.

In the light of these events, the Venezuela affair and the opening of construction of the Panama Canal, one may read Roosevelt's special message to the Senate with greater appreciation of its significance. The treaty failed in spite of that appeal. Foreign creditors again threatened when an Italian cruiser arrived off the coast of Santo Domingo. An executive agreement then provided for the President of the United States to name receivers of customs, who would be appointed by the President of Santo Domingo. These receivers were to dispose of the Dominican revenues according to the terms of the treaty which had failed of ratification. In his second message on Dominican affairs, which is reprinted here, Roosevelt expounded the Latin American policy which came to be known as the Roosevelt Corollary to the Monroe Doctrine: to prevent foreign intervention, the United States would itself intervene to restore order and financial decorum in those Latin American countries

whose behavior might provoke action by European powers.

In spite of American supervision of the customs, disorder continued in Santo Domingo until 1906, when the long period of revolution finally came to a halt. The following year, the Senate ratified a revised treaty. This deleted such objectionable clauses as that which pledged United States assistance in the internal affairs of Santo Domingo and which had the United States agree to determine the validity of the amount of the claims against the island republic.

In this fashion, according to Roosevelt, the Monroe Doctrine was to be used against Latin American powers as much as against European. As a consequence, it was difficult to break down suspicion and hostility in the Western Hemisphere; for twenty-five years, "Yankee Imperialism" was the unflattering description of the American policy. But late in the nineteen twenties, the direction of American foreign affairs became more realistic: the Latin American nations were sovereign powers and their domestic concerns were their own; they were as interested in safeguarding the security of the Western Hemisphere as we were. In March, 1930, the State Department, therefore, repudiated the Roosevelt Corollary. It made public a memorandum written by J. Reuben Clark in 1928 when he was Undersecretary of State, which clearly defined the intentions and limits of the Monroe Doctrine. Said this document: 1. The Monroe Doctrine is unilateral. 2. "The Doctrine does not concern itself with purely inter-American relations." 3. "The Doctrine states a case of the United States *versus* Europe, not of the United States *versus* Latin America." 4. The United States has always used the Doctrine to protect Latin American nations from the aggressions of European powers. 5. The Roosevelt Corollary is not properly a part of the Doctrine itself, nor does it grow out of the Doctrine: ". . . it is not believed that this Corollary is justified by the terms of the Monroe Doctrine, however much it may be justified by the application of the doctrine of self-preservation." Thus Secretary of State Henry L. Stimson, preparing the way for Franklin D. Roosevelt's "Good Neighbor" policy.

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Corollary to the Monroe Doctrine

BY THEODORE ROOSEVELT

ONE OF THE MOST effective instruments for peace is the Monroe Doctrine as it has been and is being gradually developed by this Nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the Western Hemisphere and in giving to each nation thereon the chance to develop along its own lines. If we had refused to apply the doctrine to changing conditions it would now be completely outworn, would not meet any of the needs of the present day, and, indeed, would probably by this time have sunk into complete oblivion. It is useful at home, and is meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of the hemisphere. When we announce a policy such as the Monroe Doctrine we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American republics who are benefited by the existence of the doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights.

That our rights and interests are deeply concerned in the maintenance of the doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea.

There are certain essential points which must

never be forgotten as regards the Monroe Doctrine. In the first place we must as a Nation make it evident that we do not intend to treat it in any shape or way as an excuse for aggrandizement on our part at the expense of the republics to the south. We must recognize the fact that in some South American countries there has been much suspicion lest we should interpret the Monroe Doctrine as in some way inimical to their interests, and we must try to convince all the other nations of this continent once and for all that no just and orderly Government has anything to fear from us. There are certain republics to the south of us which have already reached such a point of stability, order, and prosperity that they themselves, though as yet hardly consciously, are among the guarantors of this doctrine. These republics we now meet not only on a basis of entire equality, but in a spirit of frank and respectful friendship, which we hope is mutual. If all of the republics to the south of us will only grow as those to which I allude have already grown, all need for us to be the especial champions of the doctrine will disappear, for no stable and growing American Republic wishes to see some great non-American military power acquire territory in its neighborhood. All that this country desires is that the other republics on this continent shall be happy and prosperous; and they cannot be happy and prosperous unless they maintain order within their boundaries and behave with a just regard for their obligations toward outsiders. It must be understood that under no circumstances will the United States use the Monroe Doctrine as a cloak for territorial aggression. We desire peace with all the world, but perhaps most of all with the other peoples of the American Continent. There are, of course, limits to the wrongs which any self-respecting nation can endure. It is always possible that wrong actions toward this Nation, or toward citizens of this Nation, in some State unable to keep order among its own people, unable to secure justice from outsiders, and unwilling to do justice to those outsiders who treat it well, may result in our having to take action to protect our rights; but such action will not be taken with a view to territorial aggression, and it will be taken at all only with extreme reluctance and when it has become evident that every other resource has been exhausted.

Moreover, we must make it evident that we do not intend to permit the Monroe Doctrine to be used by any nation on this Continent as a shield to protect it from the consequences of its own misdeeds against foreign nations. If a republic to the south of us commits a tort against a foreign nation, such as an outrage against a citizen of that nation, then the Monroe Doctrine does not force us to interfere to prevent punishment of the tort, save to see that the punishment does not assume the form of territorial occupation in any shape. The case is more difficult when it refers to a contractual obligation. Our own Government has always refused to enforce such contractual obligations on behalf of its citizens by an appeal to arms. It is much to be wished that all foreign governments would take the same view. But they do not; and in consequence we are liable at any time to be brought face to face with disagreeable alternatives. On the one hand, this country would certainly decline to go to war to prevent a foreign government from collecting a just debt; on the other hand, it is very inadvisable to permit any foreign power to take possession, even temporarily, of the custom houses of an American Republic in order to enforce the payment of its obligations; for such temporary occupation might turn into a permanent occupation. The only escape from these alternatives may at any time be that we must ourselves undertake to bring about some arrangement by which so much as possible of a just obligation shall be paid. It is far better that this country should put through such an arrangement, rather than allow any foreign country to undertake it. To do so insures the defaulting republic from having to pay debt of an improper character under duress, while it also insures honest creditors of the republic from being passed by in the interest of dishonest or grasping creditors. Moreover, for the United States to take such a position offers the only possible way of insuring us against a clash with some foreign power. The position is, therefore, in the interest of peace as well as in the interest of justice. It is of benefit to our people; it is of benefit to foreign peoples; and most of all it is really of benefit to the people of the country concerned.

This brings me to what should be one of the fundamental objects of the Monroe Doctrine. We must ourselves in good faith try to help upward toward peace and order those of our sister republics which need such help. Just as there has been a gradual growth of the ethical element in the relations of one individual to another, so we are, even though slowly, more and more coming to recognize the duty of bearing one another's burdens, not only as among individuals, but also as among nations.

Santo Domingo, in her turn, has now made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. It is not of the

slightest consequence whether we grant the aid needed by Santo Domingo as an incident to the wise development of the Monroe Doctrine or because we regard the case of Santo Domingo as standing wholly by itself, and to be treated as such, and not on general principles or with any reference to the Monroe Doctrine. The important point is to give the needed aid, and the case is certainly sufficiently peculiar to deserve to be judged purely on its own merits. The conditions in Santo Domingo have for a number of years grown from bad to worse until a year ago all society was on the verge of dissolution. Fortunately, just at this time a ruler sprang up in Santo Domingo, who, with his colleagues, saw the dangers threatening their country and appealed to the friendship of the only great and powerful neighbor who possessed the power, and as they hoped also the will to help them. There was imminent danger of foreign intervention. The previous rulers of Santo Domingo had recklessly incurred debts, and owing to her internal disorders she had ceased to be able to provide means of paying the debts. The patience of her foreign creditors had become exhausted, and at least two foreign nations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this Government that it would itself strive to help Santo Domingo in her hour of need. In the case of one of these nations, only the actual opening of negotiations to this end by our Government prevented the seizure of territory in Santo Domingo by a European power. Of the debts incurred some were just, while some were not of a character which really renders it obligatory on or proper for Santo Domingo to pay them in full. But she could not pay any of them unless some stability was assured her Government and people.

Accordingly, the Executive Department of our Government negotiated a treaty under which we are to try to help the Dominican people to straighten out their finances. This treaty is pending before the Senate. In the meantime a temporary arrangement has been made which will last until the Senate has had time to take action upon the treaty. Under this arrangement the Dominican Government has appointed Americans to all the important positions in the customs service, and they are seeing to the honest collection of the revenues, turning over 45 per cent. to the Government for running expenses and putting the other 55 per cent. into a safe depository for equitable division in case the treaty shall be ratified, among the various creditors, whether European or American.

The Custom Houses offer well-nigh the only sources of revenue in Santo Domingo, and the different revolutions usually have as their real aim the obtaining of these Custom Houses. The mere fact that the Collectors of Customs are Americans, that they are performing their duties with efficiency and honesty, and that the treaty is pending in the Senate gives a certain moral power to the Government of Santo Domingo which it has not had before. This has completely discouraged all revolutionary movement, while it has already produced such an increase in the revenues that the Government is actually getting more from the 45 per cent. that the American Collectors turn over to it than it got formerly when it took the entire revenue. It is enabling the poor, harassed people of Santo Domingo once more to turn their attention to industry and to be free from the cure of interminable revolutionary disturbance. It offers to all bona-fide creditors, American and European, the only really good chance to obtain that to which they are justly entitled, while it in return gives to Santo Domingo the only opportunity of defense against claims which it ought not to pay, for now if it meets the views of the Senate we shall ourselves thoroughly examine all these claims, whether American or foreign, and see that none that are improper are paid. There is, of course, opposition to the treaty from dishonest creditors, foreign and American, and from the professional revolutionists of the island itself. We have already reason to believe that some of the creditors who do not dare expose their claims to honest scrutiny are endeavoring to stir up sedition in the island and opposition to the treaty. In the meantime, I have exercised the authority vested in me by the joint resolution of the Congress to prevent the introduction of arms into the island for revolutionary purposes.

Under the course taken, stability and order and all the benefits of peace are at last coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice, no more and no less. If the arrangement is terminated by the failure of the treaty chaos will follow; and if chaos follows, sooner or later this Government may be involved in serious difficulties with foreign Governments over the island, or else may be forced itself to intervene in the island in some unpleasant fashion. Under the proposed treaty the independence of the island is scrupulously respected, the danger of violation of the Monroe Doctrine by the intervention of foreign powers vanishes, and the interference of our Government is minimized, so that we

shall only act in conjunction with the Santo Domingo authorities to secure the proper administration of the customs, and therefore to secure the payment of just debts and to secure the Dominican Government against demands for unjust debts. The proposed method will give the people of Santo Domingo the same chance to move onward and upward which we have already given to the people of Cuba. It will be doubly to our discredit as a Nation if we fail to take advantage of this chance; for it will be of damage to ourselves, and it will be of incalculable damage to Santo Domingo. Every consideration of wise policy, and, above all, every consideration of large generosity, bids us meet the request of Santo Domingo as we are now trying to meet it. . . .

Message to the Senate on the Dominican Treaty

White House, March 6, 1905

To the Senate:

I wish to call the attention of the Senate at this executive session to the treaty with Santo Domingo. I feel that I ought to state to the Senate that the condition of affairs in Santo Domingo is such that it is very much for the interest of that Republic that action on the treaty should be had at as early a moment as the Senate, after giving the matter full consideration, may find practicable.

I call attention to the following facts:

1. This treaty was entered into at the earnest request of Santo Domingo itself, and is designed to afford Santo Domingo relief and assistance. Its primary benefit will be to Santo Domingo. It offers the method most likely to secure peace and to prevent war in the island.

2. The benefit to the United States will consist chiefly in the tendency under the treaty to secure stability, order, and prosperity in Santo Domingo, and the removal of the apprehension lest foreign powers make aggressions on Santo Domingo in the course of collecting claims due their citizens; for it is greatly to our interest that all the islands in the Caribbean Sea should enjoy peace and prosperity and feel good will toward this country. The benefit to honest creditors will come from the fact that for the first time under this treaty a practicable method of attempting to settle the debts due them will be inaugurated.

3. Many of the debts alleged to be due from Santo Domingo to outside creditors unquestionably on their face represent far more money than ever was actually given Santo Domingo. The proposed treaty provides for a process by which impartial experts will determine what debts are valid and what are in whole or in part invalid, and will apportion accordingly the surplus revenue available for the payment of the debts. This treaty offers the only method for preventing the collection of fraudulent debts, whether owed to Americans or to citizens of other nations.

4. This treaty affords the most practicable means of obtaining payment for the just claims of American citizens.

5. If the treaty is ratified, creditors belonging to other nations will have exactly as good treatment as creditors who are citizens of the United States, and at the same time Santo Domingo will be protected against unjust and exorbitant claims. If it is not ratified, the chances are that American creditors will fare ill as compared with those of other nations; for foreign nations, being denied the opportunity to get what is rightfully due their citizens under the proposed arrangement, will be left to collect the debts due their citizens as they see fit, provided, of course, there is not permanent occupancy of Dominican territory. As in such case the United States will have nothing to say as to what debts should or should not be collected, and as Santo Domingo will be left without aid, assistance, or protection, it is impossible to state that the sums collected from it will not be improper in amount. In such event, whatever is collected by means of forcible intervention will be applied to the creditors of foreign nations in preference to creditors who are citizens of the United States.

6. The correspondence between the Secretary of State and the Minister of Haiti, submitted to the Senate several days ago, shows that our position is explicitly and unreservedly that under no circumstances do we intend to acquire territory in or possession of either Haiti or Santo Domingo, it being stated in these letters that even if the two republics desired to become a part of the United States the United States would certainly refuse its assent.

7. Santo Domingo grievously needs the aid of a powerful and friendly nation. This aid we are able, and I trust that we are willing, to bestow. She has asked for this aid, and the expressions of friendship, repeatedly sanctioned by the people and the Government of the United States, warrant her in believing that it will not be withheld in the hour of her need.

Theodore Roosevelt

WOODROW WILSON

BETWEEN April 2, 1917, and July 10, 1919, when Wilson made these two speeches, the United States had entered World War I and had helped win it. But the interval stood for more than that: for an instrument presumably had been created by which war was to be driven from the earth. Woodrow Wilson offered the world peace, and it was no wonder that simple people all over the earth honored his name.

But the mechanics of peace were far more complex than affirmations of devotion no matter how splendid. Highly intricate treaties had to be drawn up with a whole series of defeated belligerents; sporadic uprisings all over Europe had to be put down; treaties had to be ratified. Most important of all, the League of Nations, whose Covenant Wilson brought back with him to America from the Versailles Peace Conference, had to be joined by the United States to insure the establishment of a peaceful world.

Wilson had made a number of mistakes. In the congressional elections of November, 1918, he had gone to the country and asked for the return of a Democratic Congress; only such a body would support him properly. He had been defeated—and his political enemies gleefully insisted that this was tantamount to a repudiation of his policies by the American people. Again, he had failed to name members of the Senate to his Peace Commission—a slight of the Senate's role in the treaty-making process. Again, he had insisted upon coupling the Covenant with the Treaty—and the weaknesses and injustices in the Treaty only ended by damaging the Covenant. Finally, he had been adamant on the matter of amendments to the Covenant; although the good faith of some of those who urged reservations and amendments is open to question.

These were failures of judgment, but they showed no vital flaws of character. If Wilson's political enemies had been less implacable and if his health had not failed him, he might have succeeded and America might have joined the League. In any case, the two speeches reveal Wilson at the height of his powers. He was calling upon America to join in a great human crusade and to give of its strength and leadership in the cause of an enduring world peace.

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Two Addresses to Congress

BY WOODROW WILSON

1. FOR DECLARATION OF WAR AGAINST GERMANY (ADDRESS DELIVERED AT A JOINT SESSION OF THE TWO HOUSES OF CONGRESS, APRIL 2, 1917)

I HAVE CALLED the Congress into extraordinary session because there are serious, very serious, choices of policy to be made, and made immediately, which it was neither right nor constitutionally permissible that I should assume the responsibility of making.

On the third of February last I officially laid before you the extraordinary announcement of the Imperial German Government that on and after the first day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean. . . .

I was for a little while unable to believe that such things would in fact be done by any government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up some law which would be respected and observed upon the seas, where no nation had right of domination and where lay the free highways of the world. By pain-

ful stage after stage has that law been built up, with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded. This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world. I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants, men, women, and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people cannot be. The present German submarine warfare against commerce is a warfare against mankind.

It is a war against all nations. American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way. There has been no discrimination. The challenge is to all mankind. Each nation must decide for itself how it will meet it. The choice we make for ourselves must be made with a moderation of counsel and a temperateness of judgment befitting our character and our motives as a nation. We must put excited feeling away. Our motive will not be revenge or the victorious assertion of the physical might of the nation, but only the vindication of right, of human right, of which we are only a single champion.

When I addressed the Congress on the twenty-sixth of February last I thought that it would suffice to assert our neutral rights with arms, our right to use the seas against unlawful interference, our right to keep our people safe against unlawful violence. But armed neutrality, it now appears, is impracticable. Because submarines are in effect outlaws when used as the German submarines have been used against merchant shipping, it is impossible to defend ships against their attacks as the law of nations has assumed that merchantmen would defend themselves against privateers or cruisers, visible craft giving chase upon the open sea. . . . There is one choice we cannot make, we are incapable of making: we will not choose the path of submission and suffer the most sacred rights of our Nation and our people to be ignored or violated. The wrongs against which we now array ourselves are no common wrongs; they cut to the very roots of human life.

With a profound sense of the solemn and even tragical character of the step I am taking and of the grave responsibilities which it involves, but in unhesitating obedience to what I deem my constitutional duty, I advise that the Congress declare the recent course of the Imperial German Government to be in fact nothing less than war against the government and people of the United States; that it formally accept the status of belligerent which has thus been thrust upon it; and that it take immediate steps not only to put the country in a more thorough state of defense but also to exert all its power and employ all its resources to bring the Government of the German Empire to terms and end the war. . . .

While we do these things, these deeply momentous things, let us be very clear, and make very clear to all the world what our motives and our objects are. My own thought has not been driven from its habitual and normal course by the unhappy events of the last two months, and I do not believe that the thought of the Nation has been altered or clouded by them. I have exactly the same things in mind now that I had in mind when I addressed the Senate on the twenty-second of January last; the same that I had in mind when I addressed the Congress on the third of February and on the twenty-sixth of February. Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power and to set up amongst the really free and self-governed peoples of the world such a concert of purpose and of action as will henceforth insure the observance of those principles. Neutrality is no longer feasible or desirable where the peace of the world is involved and the freedom of its peoples, and the menace to that peace and freedom lies in the existence of autocratic governments backed by organized force which is controlled wholly by their will, not by the will of their people. We have seen the last of neutrality in such circumstances. We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of civilized states.

We have no quarrel with the German people. We have no feeling towards them but one of sympathy and friendship. It was not upon their impulse that their government acted in entering this war. It was not with their previous knowledge

or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools. Self-governed nations do not fill their neighbor states with spies or set the course of intrigue to bring about some critical posture of affairs which will give them an opportunity to strike and make conquest. Such designs can be successfully worked out only under cover and where no one has the right to ask questions. Cunningly contrived plans of deception or aggression, carried, it may be, from generation to generation, can be worked out and kept from the light only within the privacy of courts or behind the carefully guarded confidences of a narrow and privileged class. They are happily impossible where public opinion commands and insists upon full information concerning all the nation's affairs. . . .

One of the things that has served to convince us that the Prussian autocracy was not and could never be our friend is that from the very outset of the present war it has filled our unsuspecting communities and even our offices of government with spies and set criminal intrigues everywhere afoot against our national unity of counsel, our peace within and without, our industries and our commerce. Indeed, it is now evident that its spies were here even before the war began; and it is unhappily not a matter of conjecture but a fact proved in our courts of justice that the intrigues which have more than once come perilously near to disturbing the peace and dislocating the industries of the country have been carried on at the instigation, with the support, and even under the personal direction of official agents of the Imperial Government accredited to the Government of the United States. Even in checking these things and trying to extirpate them we have sought to put the most generous interpretation possible upon them because we knew that their source lay not in any hostile feeling or purpose of the German people towards us (who were no doubt as ignorant of them as we ourselves were), but only in the selfish designs of a Government that did what it pleased and told its people nothing. But they have played their part in serving to convince us at last that that Government entertains no real friendship for us and means to act against our peace and security at its convenience. That it means to stir up enemies against us at our very doors the intercepted note to the German Minister at Mexico City is eloquent evidence.

We are accepting this challenge of hostile purpose because we know that in such a Government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic Governments of the world. We are now about to accept gage of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peoples, the German people included: for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

Just because we fight without rancor and without selfish object, seeking nothing for ourselves but what we shall wish to share with all free peoples, we shall, I feel confident, conduct our operations as belligerents without passion and ourselves observe with proud punctilio the principles of right and of fair play we profess to be fighting for. . . .

It will be all the easier for us to conduct ourselves as belligerents in a high spirit of right and fairness because we act without animus, not in enmity towards a people or with the desire to bring any injury or disadvantage upon them, but only in armed opposition to an irresponsible government which has thrown aside all considerations of humanity and of right and is running amuck. We are, let me say again, the sincere friends of the German people, and shall desire nothing so much as the early reëstablishment of intimate relations of mutual advantage between us,—however hard it may be for them, for the time being, to believe that this is spoken from our hearts. We have borne with their present Government through all these bitter months because of that friendship,—exercising a patience and forbearance which would otherwise have been impossible. We shall, happily, still have an opportunity to prove that friendship in our daily atti-

tude and actions towards the millions of men and women of German birth and native sympathy who live amongst us and share our life, and we shall be proud to prove it towards all who are in fact loyal to their neighbors and to the Government in the hour of test. They are, most of them, as true and loyal Americans as if they had never known any other fealty or allegiance. They will be prompt to stand with us in rebuking and restraining the few who may be of a different mind and purpose. If there should be disloyalty, it will be dealt with with a firm hand of stern repression; but, if it lifts its head at all, it will lift it only here and there and without countenance except from a lawless and malignant few.

It is a distressing and oppressive duty, Gentlemen of the Congress, which I have performed in thus addressing you. There are, it may be, many months of fiery trial and sacrifice ahead of us. It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts,—for democracy, for the right of those who submit to authority to have a voice in their own Governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free. To such a task we can dedicate our lives and our fortunes, everything that we are and everything that we have, with the pride of those who know that the day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured. God helping her, she can do no other.

2. PRESENTING THE TREATY FOR RATIFICATION (ADDRESS TO THE SENATE OF THE UNITED STATES, JULY 10, 1919)

GENTLEMEN OF THE SENATE:

The treaty of peace with Germany was signed at Versailles on the twenty-eighth of June. I avail myself of the earliest opportunity to lay the treaty before you for ratification and to inform you with regard to the work of the Conference by which that treaty was formulated. . . .

The United States entered the war upon a different footing from every other nation except our associates on this side the sea. We entered it, not because our material interests were directly threatened or because any special treaty obligations to which we were parties had been violated, but only because we saw the supremacy, and even the validity, of right everywhere put in jeopardy and free government likely to be everywhere imperiled by the intolerable aggression of a power which respected neither right nor obligation and whose very system of government flouted the rights of the citizen as against the autocratic authority of his governors. And in the settlements of the peace we have sought no special reparation for ourselves, but only the restoration of right and the assurance of liberty everywhere that the effects of the settlement were to be felt. We entered the war as the disinterested champions of right and we interested ourselves in the terms of the peace in no other capacity.

The hopes of the nations allied against the Central Powers were at a very low ebb when our soldiers began to pour across the sea. There was everywhere amongst them, except in their stoutest spirits, a somber foreboding of disaster. The war ended in November, eight months ago, but you have only to recall what was feared in midsummer last, four short months before the armistice, to realize what it was that our timely aid accomplished alike for their morale and their physical safety. . . . A great moral force had flung itself into the struggle. The fine physical force of those spirited men spoke of something more than bodily vigor. They carried the great ideals of a free people at their hearts and with that vision were unconquerable. Their very presence brought reassurance, their fighting made victory certain. . . .

But I speak now of what they meant to the men by whose sides they fought and to the people with whom they mingled with such utter simplicity, as friends who asked only to be of service. They were for all the visible embodiment of America. What they did made America and all that she stood for a living reality in the thoughts not only of the people of France but also of tens of millions of men and women throughout all the toiling nations of a world standing everywhere in peril of its freedom and of the loss of everything it held dear, in deadly fear that its bonds were never to be loosed, its hopes forever to be mocked and disappointed.

An the compulsion of what they stood for was upon us who represented America at the peace table. It was our duty to see to it that every decision we took part in contributed, so far as we were able to influence it, to quiet the fears and realize the hopes of the peoples who had been living in that shadow, the nations that had come by our assistance to their freedom. It was our duty to do everything that it was within our power to do to make the triumph of freedom and of right a

lasting triumph in the assurance of which men might everywhere live without fear.

Old entanglements of every kind stood in the way,—promises which Governments had made to one another in the days when might and right were confused and the power of the victor was without restraint. Engagements which contemplated any dispositions of territory, any extensions of sovereignty that might seem to be to the interest of those who had the power to insist upon them, had been entered into without thought of what the peoples concerned might wish or profit by; and these could not always be honorably brushed aside. It was not easy to graft the new order of ideas on the old, and some of the fruits of the grafting may, I fear, for a time be bitter. But, with very few exceptions, the men who sat with us at the peace table desired as sincerely as we did to get away from the bad influences, the illegitimate purposes, the demoralizing ambitions, the international counsels and expedients out of which the sinister designs of Germany had sprung as a natural growth. . . .

The atmosphere in which the Conference worked seemed created, not by the ambitions of strong governments, but by the hopes and aspirations of small nations and of peoples hitherto under bondage to the power that victory had shattered and destroyed. Two great empires had been forced into political bankruptcy, and we were the receivers. Our task was not only to make peace with the Central Empires and remedy the wrongs their armies had done. The Central Empires had lived in open violation of many of the very rights for which the war had been fought, dominating alien peoples over whom they had no natural right to rule, enforcing, not obedience, but veritable bondage, exploiting those who were weak for the benefit of those who were masters and overlords only by force of arms. There could be no peace until the whole order of Central Europe was set right. . . .

And out of the execution of these great enterprises of liberty sprang opportunities to attempt what statesmen had never found the way before to do; an opportunity to throw safeguards about the rights of racial, national and religious minorities by solemn international covenant; an opportunity to limit and regulate military establishments where they were most likely to be mischievous; an opportunity to effect a complete and systematic internationalization of waterways and railways which were necessary to the free economic life of more than one nation and to clear many of the normal channels of commerce of unfair obstructions of law or of privilege; and the very welcome opportunity to secure for labor the concerted protection of definite international pledges of principle and practice.

These were not tasks which the Conference looked about it to find and went out of its way to perform. They were inseparable from the settlements of peace. They were thrust upon it by circumstances which could not be overlooked. The war had created them. In all quarters of the world old-established relationships had been disturbed or broken and affairs were at loose ends, needing to be mended or united again, but could not be made what they were before. They had to be set right by applying some uniform principle of justice or enlightened expediency. And they could not be adjusted by merely prescribing in a treaty what should be done. New states were to be set up which could not hope to live through their first period of weakness without assured support by the great nations that had consented to their creation and won for them their independence. Ill-governed colonies could not be put in the hands of governments which were to act as trustees for their people and not as their masters if there was to be no common authority among the nations to which they were to be responsible in the execution of their trust. Future international conventions with regard to the control of waterways, with regard to illicit traffic of many kinds, in arms or in deadly drugs, or with regard to the adjustment of many varying international administrative arrangements could not be assured if the treaty were to provide no permanent common international agency, if its execution in such matters was to be left to the slow and uncertain processes of coöperation by ordinary methods of negotiation. If the Peace Conference itself was to be the end of coöperative authority and common counsel among the governments to which the world was looking to enforce justice and give pledges of an enduring settlement, regions like the Saar basin could not be put under a temporary administrative régime which did not involve a transfer of political sovereignty and which contemplated a final determination of its political connections by popular vote to be taken at a distant date; no free city like Danzig could be created which was, under elaborate international guarantees, to accept exceptional obligations with regard to the use of its port and exceptional relations with a State of which it was not to form a part; properly safeguarded plebiscites could not be provided for where populations were at some future date to make choice what sovereignty they would live under; no certain and uniform method of arbitration could be secured for the settlement of antici-

pated difficulties of final decision with regard to many matters dealt with in the treaty itself; the long-continued supervision of the task of reparation which Germany was to undertake to complete within the next generation might entirely break down; the reconsideration and revision of administrative arrangements and restrictions which the treaty prescribed but which it was recognized might not prove of lasting advantage or entirely fair if too long enforced would be impracticable. The promises governments were making to one another about the way in which labor was to be dealt with, by law not only but in fact as well, would remain a mere humane thesis if there was to be no common tribunal of opinion and judgment to which liberal statesmen could resort for the influences which alone might secure their redemption. A league of free nations had become a practical necessity. Examine the treaty of peace and you will find that everywhere throughout its manifold provisions its framers have felt obliged to turn to the League of Nations as an indispensable instrumentality for the maintenance of the new order it has been their purpose to set up in the world,—the world of civilized men.

That there should be a League of Nations to steady the counsels and maintain the peaceful understandings of the world, to make, not treaties alone, but the accepted principles of international law as well, the actual rule of conduct among the governments of the world, had been one of the agreements accepted from the first as the basis of peace with the Central Powers. The statesmen of all the belligerent countries were agreed that such a league must be created to sustain the settlements that were to be effected. But at first I think there was a feeling among some of them that, while it must be attempted, the formation of such a league was perhaps a counsel of perfection which practical men, long experienced in the world of affairs, must agree to very cautiously and with many misgivings. It was only as the difficult work of arranging an all but universal adjustment of the world's affairs advanced from day to day from one stage of conference to another that it became evident to them that what they were seeking would be little more than something written upon paper, to be interpreted and applied by such methods as the chances of politics might make available if they did not provide a means of common counsel which all were obliged to accept, a common authority whose decisions would be recognized as decisions which all must respect.

And so the most practical, the most skeptical among them turned more and more to the League as the authority through which international action was to be secured, the authority without which, as they had come to see it, it would be difficult to give assured effect either to this treaty or to any other international understanding upon which they were to depend for the maintenance of peace. The fact that the Covenant of the League was the first substantive part of the treaty to be worked out and agreed upon, while all else was in solution, helped to make the formulation of the rest easier. The Conference was, after all, not to be ephemeral. The concert of nations was to continue, under a definite Covenant which had been agreed upon and which all were convinced was workable. They could go forward with confidence to make arrangements intended to be permanent. The most practical of the conferees were at last the most ready to refer to the League of Nations the superintendence of all interests which did not admit of immediate determination, of all administrative problems which were to require a continuing oversight. What had seemed a counsel of perfection had come to seem a plain counsel of necessity. The League of Nations was the practical statesman's hope of success in many of the most difficult things he was attempting.

And it had validated itself in the thought of every member of the Conference as something much bigger, much greater every way, than a mere instrument for carrying out the provisions of a particular treaty. It was universally recognized that all the peoples of the world demanded of the Conference that it should create such a continuing concert of free nations as would make wars of aggression and spoliation such as this that has just ended forever impossible. A cry had gone out from every home in every stricken land from which sons and brothers and fathers had gone forth to the great sacrifice that such a sacrifice should never again be exacted. It was manifest why it had been exacted. It had been exacted because one nation desired dominion and other nations had known no means of defense except armaments and alliances. War had lain at the heart of every arrangement of the Europe,—of every arrangement of the world,—that preceded the war. Restive peoples had been told that fleets and armies, which they toiled to sustain, meant peace; and they now knew that they had been lied to: that fleets and armies had been maintained to promote national ambitions and meant war. They knew that no old policy meant anything else but force, force,—always force. And they knew that it was intolerable. Every true heart in the world, and every enlightened judgment demanded that, at whatever cost of independent action, every government that took thought for its people or for

justice or for ordered freedom should lend itself to a new purpose and utterly destroy the old order of international politics. Statesmen might see difficulties, but the people could see none and could brook no denial. A war in which they had been bled white to beat the terror that lay concealed in every Balance of Power must not end in a mere victory of arms and a new balance. The monster that had resorted to arms must be put in chains that could not be broken. The united power of free nations must put a stop to aggression, and the world must be given peace. If there was not the will or the intelligence to accomplish that now, there must be another and a final war and the world must be swept clean of every power that could renew the terror. The League of Nations was not merely an instrument to adjust and remedy old wrongs under a new treaty of peace; it was the only hope for mankind. Again and again had the demon of war been cast out of the house of the peoples and the house swept clean by a treaty of peace; only to prepare a time when he would enter in again with spirits worse than himself. The house must now be given a tenant who could hold it against all such. Convenient, indeed indispensable, as statesmen found the newly planned League of Nations to be for the execution of present plans of peace and reparation, they saw it in a new aspect before their work was finished. They saw it as the main object of the peace, as the only thing that could complete it or make it worth while. They saw it as the hope of the world, and that hope they did not dare to disappoint. Shall we or any other free people hesitate to accept this great duty? Dare we reject it and break the heart of the world?

And so the result of the Conference of Peace, so far as Germany is concerned, stands complete. The difficulties encountered were very many. Sometimes they seemed insuperable. It was impossible to accommodate the interests of so great a body of nations,—interests which directly or indirectly affected almost every nation in the world, —without many minor compromises. The treaty, as a result, is not exactly what we would have written. It is probably not what any one of the national delegations would have written. But results were worked out which on the whole bear test. I think that it will be found that the compromises which were accepted as inevitable nowhere cut to the heart of any principle. The work of the Conference squares, as a whole, with the principles agreed upon as the basis of the peace as well as with the practical possibilities of the international situations which had to be faced and dealt with as facts.

I shall presently have occasion to lay before you a special treaty with France, whose object is the temporary protection of France from unprovoked aggression by the Power with whom this treaty of peace has been negotiated. Its terms link it with this treaty. I take the liberty, however, of reserving it for special explication on another occasion.

The rôle which America was to play in the Conference seemed determined, as I have said, before my colleagues and I got to Paris,—determined by the universal expectations of the nations whose representatives, drawn from all quarters of the globe, we were to deal with. It was universally recognized that America had entered the war to promote no private or peculiar interest of her own but only as the champion of rights which she was glad to share with free men and lovers of justice everywhere. We had formulated the principles upon which the settlement was to be made,—the principles upon which the armistice had been agreed to and the parleys of peace undertaken,—and no one doubted that our desire was to see the treaty of peace formulated along the actual lines of those principles,—and desired nothing else. We were welcomed as disinterested friends. We were resorted to as arbiters in many a difficult matter. It was recognized that our material aid would be indispensable in the days to come, when industry and credit would have to be brought back to their normal operation again and communities beaten to the ground assisted to their feet once more, and it was taken for granted, I am proud to say, that we would play the helpful friend in these things as in all others without prejudice or favor. We were generously accepted as the unaffected champions of what was right. It was a very responsible rôle to play; but I am happy to report that the fine group of Americans who helped with their expert advice in each part of the varied settlements sought in every transaction to justify the high confidence reposed in them.

And that confidence, it seems to me, is the measure of our opportunity and of our duty in the days to come, in which the new hope of the peoples of the world is to be fulfilled or disappointed. The fact that America is the friend of the nations, whether they be rivals or associates, is no new fact; it is only the discovery of it by the rest of the world that is new.

America may be said to have just reached her majority as a world power. It was almost exactly twenty-one years ago that the results of the war with Spain put us unexpectedly in possession of rich islands on the other side of the world and brought us into association with other govern-

ments in the control of the West Indies. It was regarded as a sinister and ominous thing by the statesmen of more than one European chancellery that we should have extended our power beyond the confines of our continental dominions. They were accustomed to think of new neighbors as a new menace, of rivals as watchful enemies. There were persons amongst us at home who looked with deep disapproval and avowed anxiety on such extensions of our national authority over distant islands and over peoples whom they feared we might exploit, not serve and assist. But we have not exploited them. We have been their friends and have sought to serve them. And our dominion has been a menace to no other nation. We redeemed our honor to the utmost in our dealings with Cuba. She is weak but absolutely free; and it is her trust in us that makes her free. Weak peoples everywhere stand ready to give us any authority among them that will assure them a like friendly oversight and direction. They know that there is no ground for fear in receiving us as their mentors and guides. Our isolation was ended twenty years ago; and now fear of us is ended also, our counsel and association sought after and desired. There can be no question of our ceasing to be a world power. The only question is whether we can refuse the moral leadership that is offered us, whether we shall accept or reject the confidence of the world.

The war and the Conference of Peace now sitting in Paris seem to me to have answered that question. Our participation in the war established our position among the nations and nothing but our own mistaken action can alter it. It was not an accident or a matter of sudden choice that we are no longer isolated and devoted to a policy which has only our own interest and advantage for its object. It was our duty to go in, if we were indeed the champions of liberty and of right. We answered to the call of duty in a way so spirited, so utterly without thought of what we spent of blood or treasure, so effective, so worthy of the admiration of true men everywhere, so wrought out of the stuff of all that was heroic, that the whole world saw at last, in the flesh, in noble action, a great ideal asserted and vindicated, by a Nation they had deemed material and now found to be compact of the spiritual forces that must free men of every nation from every unworthy bondage. It is thus that a new rôle and a new responsibility have come to this great Nation that we honor and which we would all wish to lift to yet higher levels of service and achievement.

The stage is set, the destiny disclosed. It has come about by no plan of our conceiving, but by the hand of God who led us into this way. We cannot turn back. We can only go forward with lifted eyes and freshened spirit, to follow the vision. It was of this that we dreamed at our birth. America shall in truth show the way. The light streams upon the path ahead, and nowhere else.

HENRY CABOT LODGE

HENRY CABOT LODGE led the fight against the League in the United States Senate where he had become chairman of the Foreign Relations Committee by virtue of the Republican victory in the 1918 elections. Lodge's own *The Senate and the League of Nations* (New York, 1925) reveals something of the spirit in which that struggle was carried on. Lodge was a partisan, an isolationist, a bitter and perhaps even envious foe; it is difficult to disentangle motives in such a complex situation. At the same time, it must not be forgotten that there were those among Wilson's opponents who honestly feared European entanglements, who knew the Treaty was a bad one, and who were dismayed at Wilson's stubbornness. All these combined to demand an immediate and formal end to the war; the League could be discussed later and without heat. Had they reversed the process, it may be said parenthetically, they might have been closer to the realities.

Wilson made a number of appeals to the Senate. In August, he met with its Committee on Foreign Relations and again sought to prove that the United States had nothing to fear from the League. We were free to withdraw when we chose; the Monroe Doctrine was recognized in the Covenant—thus becoming part of the body of received international law for the first time; and our obligations were moral rather than legal in their essence. Though the Committee was not convinced by the President's arguments, less than a dozen Senators opposed the League in any form. Most of the

Senate agreed with Republicans like Taft, Root, Hughes and Hoover: the Treaty and the League should be accepted with certain modifications. As chairman of the Senate's Foreign Relations Committee, Lodge reported the Treaty out with a series of reservations. These released the United States from obligation to implement Article X of the Covenant, to accept a mandate, to serve on a League committee, or to engage in economic sanctions without the consent of Congress. As a further safeguard of sovereignty, the United States was to be sole judge of the fulfillment of its obligations.

The Senate proceeded to adopt a preamble to the Treaty which declared that it was not to be binding until three of the four associated powers should accept the United States reservations. At this point, Wilson interposed: if the Powers were to comply with the Senate's conditions, the entire conference must reassemble and the Treaty be re-submitted to Germany. Since Wilson considered that the reservations vitiated the Treaty, he urged that the Democrats vote against them. Ratification with reservations was thus defeated; unconditional ratification failed even more signally.

Since the Senate showed itself recalcitrant —whether in response to Wilson's obstinacy or in answer to deliberate maneuvering to secure the Treaty's defeat; a choice the reader must make for himself on the basis of Lodge's book—Wilson's last hope was to appeal to the people against the Senate. He made a tour of the Middle and Far West; he was followed by Republican orators; spokesmen for European minority groups who felt they had been wronged by the Treaty also joined their voices to the debate—and the confusion. The question of world peace itself was hopelessly lost in the wrangling. Then Wilson fell ill, Congress completely escaped his control, and the battle was lost. The United States never ratified the Treaty, and in 1921 by resolution simply declared the war was over.

The selections here reprinted are from Lodge's book and are published by permission of Charles Scribner's Sons.

The Senate and the League of Nations

BY HENRY CABOT LODGE

CHAPTER VII: THE COMING OF PEACE

. . . ON THE MORNING of Sunday, March 2nd, Senator Brandegee came to my house soon after breakfast and told me that it seemed to him of the last importance that at that juncture some declaration should be made, securing for it if possible the signatures of more than one-third of the Senate, to the effect that a League of Nations such as it was understood was to be proposed, and the outlines of which had been given through the press, could not be passed. I was very much struck by the proposition, and he had no difficulty in convincing me of its essential and even vital importance. We discussed it for some time and then went to see Senator Knox and asked him to draft the declaration, which he did, and we went over his draft with him later in the day. I then took the draft on Monday morning and went first to see Senator Cummins, who was one of the oldest and most distinguished Senators on our side, and asked him to consider it and told him that I hoped he would be ready to sign it. He went over it with care, suggested two amendments, as I remember, to which no one could object and which I regarded as improvements, and then those of us who had been interested in getting it up signed it and proceeded to circulate it on our side of the chamber. We did not think it desirable to ask any Democrats to sign. We knew there were Democratic Senators opposed to the League, but we did not wish to involve or embarrass them, and we also were able to exercise a greater freedom in taking this position than was possible for them. Just before midnight on the 3rd of March I arose in the Senate and read the declaration and the signatures, which made certain the printing of the declaration in the Record. Its consideration was clearly out of order in the condition of the existing business; one objection was certain to put it over and that objection was made by Senator Swanson of Virginia. Our purpose, however, had been served. The declaration went out to the world and before the next morning we had by the

arrival of Senator Elkins of West Virginia and a telegram from Senator Fall of New Mexico two additional signatures, making in all thirty-nine signers. One-third of the Senate was of course 32, so that it was perfectly clear that a proposal for a League of Nations which did not have reservations meeting the objections expressed in the declaration could not pass the Senate; that is the Senate would not advise and consent to it. The declaration with the signatures read as follows:

"Whereas under the Constitution it is a function of the Senate to advise and consent to, or dissent from, the ratification of any treaty of the United States, and no such treaty can become operative without the consent of the Senate expressed by the affirmative vote of two-thirds of the Senators present; and

"Whereas owing to the victory of the arms of the United States and of the nations with whom it is associated, a peace conference was convened and is now in session at Paris for the purpose of settling the terms of peace; and

"Whereas a committee of the conference has proposed a constitution for a league of nations and the proposal is now before the peace conference for its consideration: Now, therefore, be it

"*Resolved by the Senate of the United States in the discharge of its constitutional duty of advice in regard to treaties*, That it is the sense of the Senate that while it is their sincere desire that the nations of the world should unite to promote peace and general disarmament, the constitution of the league of nations in the form now proposed to the peace conference should not be accepted by the United States; and be it

"*Resolved further*, That it is the sense of the Senate that the negotiations on the part of the United States should immediately be directed to the utmost expedition of the urgent business of negotiating peace terms with Germany satisfactory to the United States and the nations with whom the United States is associated in the war against the German Government, and that the proposal for a league of nations to insure the permanent peace of the world should be then taken up for careful and serious consideration.

"The undersigned Senators of the United States, Members and Members elect of the Sixty-sixth Congress, hereby declare that, if they had had the opportunity, they would have voted for the foregoing resolution:

Henry Cabot Lodge.
Philander C. Knox.
Lawrence Y. Sherman.
Harry S. New.
William M. Calder.
Henry W. Keyes.
Boies Penrose.
Carroll S. Page.
George H. Moses.
J. W. Wadsworth, Jr.
Bert M. Fernald.
Albert B. Cummins.
F. E. Warren.
James E. Watson.
Thomas Sterling.
J. S. Frelinghuysen.
W. G. Harding.
Frederick Hale.
William E. Borah.
• Walter E. Edge.
Reed Smoot.
Asle J. Gronna.
George P. McLean.
Joseph Irwin France.
Medill McCormick.
Charles Curtis.
• Lawrence C. Phipps.
Seldon P. Spencer.
Hiram Johnson.
Charles E. Townsend.
William P. Dillingham.
I. L. Lenroot.
Miles Poindexter.
Howard Sutherland.
• Truman H. Newberry.
• L. Heisler Ball.

Added the next morning.

Davis Elkins of West Virginia
Albert B. Fall of New Mexico."

I call attention to this declaration and the manner in which it was made and then published not only to the people of the United States but to the people of Europe, because it has an especial significance which must not be overlooked. The United States and the Senate were much criticized in Europe, and the President and the Allied Powers kept urging directly or by implication to the proposition that we were bound to accept the Versailles Treaty because President Wilson had negotiated and signed it. On the part of the President, this was an attempt to overthrow the powers of the Senate and thus indirectly to violate and set aside the provisions of the Constitution. On the part of the Allied Powers, it was the business of their official representatives to know what our constitutional provisions were and that no treaty would bind the United States unless accepted and approved by the Senate, whether with or without amendments or reservations. The public men of England and France, especially those of England, knew this fact; in any event, it was their business to know it, whether they actually knew it or not. . . .

Chapter X: The League in the Senate

. . . I will frankly confess that in the time which has elapsed since the Senate's discussion of the League I have become more and more satisfied, although I voted in the opposite way, that the final decision of the Senate was correct. Every day of the League's existence has convinced me of the wisdom of the United States in holding itself aloof from its useless and at the same time dangerous provisions. In practice the League has thus far proved futile for the purpose for which it was ostensibly designed and loudly proclaimed. It has

• Senators Elect.

done nothing to stop wars. . . . In the nature of things and in its own being the League cannot do anything to stop wars. As a meeting of the representatives of the governments, not of the people, of the different nations, it has engaged in a great deal of debate and conversation; but it has effected nothing of vital consequence to the cause of world peace. Those matters in which it has taken action were in some instances innocent and meritorious and in others trifling or futile. Really to fulfill the advertised intention of its framers, it would have been necessary to put force behind the League, and if there had been an international army and an international commander to carry out the behests of the assembly and the council of the League, the covenant would have become a breeder of wars and not a promoter of peace. As it is, it can at least be said of the League that it is harmless and that occasional international conferences or conversations may be beneficial. The value of the great and, I think I may say, historic debate in the Senate was that every day the American people learned more clearly what the covenant of the League of Nations which Mr. Wilson presented to them really meant, what dangers it threatened and what perilous purposes it might conceal. It was a very remarkable debate. It rendered an immense service in the instruction of the people. It vindicated the wisdom of the provisions of the American Constitution in regard to the treaty-making power and also the capacity of the Senate as a body to rise to the heights of a very great occasion. The failure of the Senate to give its advice and consent to the ratification of the Treaty of Versailles on the second vote, in March, 1920, however, came much nearer defeat than is generally realized. Those who voted for the acceptance of the Treaty voted in good faith; so did those of the Democrats who voted against it, and all the Republicans. Without a thought of self they were guided by a deep sense of duty to this country. As the final vote drew near, however, I felt convinced that it was quite possible that the treaty with the reservations would be adopted by the Senate because it was obvious to me that on this final and crucial test a majority of the Democrats would be unwilling to vote against ratification. But I also felt convinced that President Wilson would prevent the acceptance of the treaty with reservations if he possibly could. I based this opinion on the knowledge which I had acquired as to Mr. Wilson's temperament, intentions and purposes. I had learned from a careful study of the President's acts and utterances during those trying days—and it was as important for me to understand him as it was for his closest friends—that the key to all he did was that he thought of everything in terms of Wilson. In other words, Mr. Wilson in dealing with every great question thought first of himself. He may have thought of the country next, but there was a long interval, and in the competition the Democratic Party, I will do him the justice to say, was a poor third. Mr. Wilson was devoured by the desire for power. If he had been a soldier and a man of fighting temperament, the Government of the United States would have been in grave danger. He was obstinate and up to a certain point determined, but he was not a fighting man and he never could have led an army or controlled those who would have led it for him, as was done by a very inferior type of man, the 3rd Napoleon. When it came to actual conflict he lacked nerve and daring, although with his temperament I doubt if he lacked the will. He had as great an opportunity as was ever given in human history to one man. He could have settled the affairs of the world from the White House and taken a position both at the time and in the opinion of posterity which it would have been hard to rival. He would have had the world at his feet, but he could think only of himself, and his own idea was and had been for a long time that the part for him to play was that of the great peacemaker. First there was to be no war; we were "too proud to fight." Then when the war came, it was to be "a little war"; then it was to be "a peace without victory." When the great forces let loose by the war got beyond his control and the final settlement came, his one thought appeared to be, as disclosed by his words and acts, to create a system of which he would be the head, and to that everything was made subservient. The people with whom he was associated during his visits to Europe soon discovered this, and by yielding to his demand for the establishment of a League of Nations at just that time, and then by judiciously threatening its defeat, they compelled him to do everything they desired, and many of the evil things that were done and to which Mr. Wilson unwillingly assented, notably the surrender of Shantung to Japan, it is only fair to say were forced upon him because he was ready to sacrifice everything to his own purposes, to the League upon which he had pinned his hopes; in other words, to himself.

The most striking illustration of his absorption in himself to the exclusion of everything else was shown at the time of the last vote in the Senate on the Versailles Treaty. After the vote had been taken and the Treaty defeated, Senator Brandegee, an "irreconcilable," turned to me and said, "We can always depend on Mr. Wilson. He never

has failed us. He has used all his powers to defeat the Treaty, because we would not ratify it in just the form which he desired." I replied, "That is quite true. Without his efforts the Treaty would have been accepted by the Senate today." This is shown by the figures. Of the 47 Democratic Senators, we had 23 for the Treaty. Twenty-four Democrats voted against it and, combined with the 15 irreconcilables on the Republican side they were more than enough to deprive the Treaty of the two-thirds vote necessary for ratification. If Mr. Wilson had said a favorable word to his personal supporters, the Treaty with the reservations would have been accepted by the Senate. As it was, he was obliged to exert all his power to prevent its acceptance with the reservations, and two of his Cabinet officers were on the floor of the Senate on that last day using every possible effort to keep enough Democrats in line to assure the defeat of the Treaty.

As I have already said, I do not regret the result now. I think it was a fortunate result. But the Treaty would have been accepted by the Senate on the 19th of March, 1920, if it had not been for Mr. Wilson, and the defeat of the Treaty with the reservations was owing entirely to his determination to have his own way, and to dominate the situation. I do not wish to be unjust to Mr. Wilson in any way, and, therefore, it is only fair for me to say that the final defeat of the Treaty of Versailles and the League of Nations was owing to his efforts and to his unyielding attitude. . . . Rather than yield in any degree or upon any essential point in the treaty which he submitted, he was ready to join with those who were opposed to the covenant of the League of Nations on any terms and defeat the whole Treaty of Versailles. He had already in his speech at Salt Lake City declared this position upon Article 10, the article of which he was the author. He would not consult, he would not advise, he would not consider any change of meaning or consequence. He was determined to have the Treaty in every essential point exactly as he had approved it in Paris, and nothing else. In other words he was so set upon having his own way that he was ready to destroy the Treaty of Versailles, which was framed to replace a victorious war with a victorious peace, rather than permit any modification in the terms of the League of Nations which he had identified with himself. I do not emphasize this point for the purpose of placing upon Mr. Wilson the responsibility for the defeat in the Senate of the Versailles Treaty. This is a wholly secondary point and there were plenty of men holding positions of power and with profound convictions, into which no thought of self entered, who believed that the acceptance of the League of Nations would be a betrayal of this country and who were quite ready to share with him, although for totally different motives, the responsibility of defeating the Treaty. I have dwelt upon the President's attitude toward the Treaty while pending in the Senate not to criticise or censure him but because his attitude and his action in this great crisis throw a flood of light upon Mr. Wilson himself, exhibit his temperament and demonstrate the soundness of my estimate of him at the time and the truth of the proposition that the key to his action always was to be found in the fact that he thought of everything and of every question in terms of his own personal interest. The thought of self always overshadowed in the ultimate decision and effaced every other consideration. It was shown in his well known dislike to consult with any one who disagreed with him. It was displayed in the cold way in which he dropped into the well of forgetfulness some of those nearest to him, who, whether rightly or wrongly, had served and followed him with the utmost loyalty. . . .

That he was a man of ability cannot be questioned. He always spoke well, although he was criticised for having an academic manner, which was not to me a disparagement. His style in writing and speaking was clear and forcible. His English was excellent, although he had a fondness for phrasemaking, which, as often happens, proved on several occasions a dangerous gift. He had thought and written much in regard to systems of government, particularly our own, and he was a writer upon and a student of American history. He was entirely capable of thinking for himself and quite independently, as his writings show, containing as they do many statements which attained to a wide subsequent interest when they came into conflict with opinions and views which the events of the time caused him to express after he was President. He was not a scholar in the true sense at all, although the newspapers were fond of applying that term to him, as they are apt to apply it to anyone who has held a position of educational importance. To give one little illustration of what I mean. Universal negatives are always perilous, but I can only say that I have never noticed but once in any of Mr. Wilson's writings or speeches a classical allusion. . . .

It is not possible, however, to discuss Mr. Wilson, even in the most general way, or to make any attempt to give an impression of his temperament and character without some allusion to what was constantly being said by his unlimited admirers about his idealism—that he was a self-sacrificing

idealist; I think the word "martyr" was not infrequently used. He and a certain group of supporters were especially fond of talking about "vision," and I took occasion to say in my speech of August 12, 1919, that "vision" and "men of vision" are one thing but that "visionaries" are something entirely different. The same may be said in regard to idealism.

Mr. Wilson was a master of the rhetorical use of idealism. He spoke the language very well and he convinced many people who were content with words that he was a man of vision and one ready to sacrifice all to his ideals. He had a selection of phrases which he used very skilfully. I might say, for instance, that "breaking the heart of the world" was one and "making the world safe for democracy" was another, while "vision," "uplift" and "forward-looking" were seldom absent. These are fair examples of his successful use of this form of popular appeal. But no one who ever studied Mr. Wilson's acts, whether as an opponent or as a supporter, if at all clear-sighted, could fail to perceive that in dealing with political or international questions, whether great or small, Mr. Wilson was extremely practical and always had in view some material and definite purposes which would result, if successful, possibly in benefit to the world, certainly in benefit to himself. . . .

There are those still extant who speak of Mr. Wilson as a "very great man." An able man in certain ways, an ambitious man in all ways he certainly was; by no means a commonplace man. But "very great men" are extremely rare. Mr. Wilson was not one of them. He was given the greatest opportunity ever given to any public man in modern times which we may date from the Revival of Learning in Europe. Having this opportunity he tried to use it and failed. The failure necessarily equalled the opportunity in magnitude and the failure was complete and was all his own. No one could have destroyed such a vast opportunity except the man to whom it was given, and in this work of destruction unaided and alone Mr. Wilson was entirely successful. Difficult as such an achievement in the face of such an opportunity was, it does not warrant describing the man who wrought the destruction in any sense as a "very great man."

Part Ten

THE GOLDEN NINETEEN TWENTIES

INTRODUCTION

1. WORK AND WEALTH

Population Growth and Changes. In the thirty years from 1870 to 1900, the population of the United States had doubled in size; but in the thirty years from 1900 to 1930, its increase was but little more than 60 percent. In 1930, the population of the United States was 122,800,000. The slowing down of the country's growth was due to the following factors: the restriction of immigration; the movement from the country to the cities; and the wider exercise of birth control, particularly as more and more of the residents of the cities became members of the middle class. Too, America's inhabitants were concentrating in specific areas. New York and California were growing greatly; as were also Michigan, Texas, Illinois, and Florida. On the other hand, the primacy of New England was now a thing of the past; indeed, the three Pacific coast states held a larger population than all the six New England commonwealths.

The trend towards urbanization was continuing. In 1900, 33 percent of the population was living in communities having 8,000 or more inhabitants; in 1930, this ratio had increased to 49 percent. Americans were thronging into cities because of superior job opportunities and because of the more modern conveniences and facilities of apartment houses, the greater variety of diversions, the theaters, educational institutions, and other cultural centers. Nothing was more typical of American civilization in the postwar era than metropolitan New York, where within a radius of fifty miles of Manhattan Island were closely located together 290 cities, boroughs, and villages, with a combined population of more than ten millions. The country, on the other hand, offered its attractions, and with the automobile more and more members of the middle class were seeking at least part-time residence in suburban and rural communities. During the twenties there was some talk of decentralization, on the part of city planners and industrialists; nevertheless, little real progress was made, and the cities grew, as they attracted youth seeking new opportunities and workers a more mobile labor market.

Significant occupational changes were also taking place in the United States. The country had been built up by its farming families and, as late as 1870, one half of all those gainfully employed were still engaged in agriculture. By 1930, however, this ratio had fallen to one fifth. And—on the other side of the coin—almost four fifths of the persons gainfully enployed in the United States were working for wages and salaries, as compared with about one half of those gainfully employed in 1870. At first glance this might have seemed to indicate the proletarianizing of the American labor force. But this was not true, for these reasons: (1) Within the salary and wage population was a growing group of salary earners (the so-called white-collar class) whole attitudes and values continued to be those of middle-class Americans. (2) Even within the so-called laboring population there existed a very sizable group whose identification with the middle class was also very real. Such workers frequently owned their own homes, possessed life insurance, and tried to send at least one of their children to college. The United States, despite its industrialization and an expanding corporate institutionalism, was still middle class at heart. Nowhere else in the world did a country's culture and economy rest upon such a broad base. As long as the American

middle class continued so large, and as long as many workers continued to identify themselves with it, the prospects of violent change in the United States were remote.

Industry's Growth. More and more the machine was becoming the hallmark of our culture. It is true that the machine broke down privacy, swept away old skills, created technological unemployment, wasted natural resources, and standardized taste. Yet the machine was a beneficent master: for it released American men, women, and children from the backbreaking toil of centuries and produced a vast quantity of consumer goods whose prices were being steadily lowered. Thanks to the machine and its increase in productivity, it was possible to raise the school-attending age of America's youth, so that the boys and girls of the nation were graduating from high school, and the proportion attending college was steadily increasing. The machine, too, made for color and variety in America's daily living: it put amusements within the reach of all and produced cheap fabrics and clothing that made possible an improved taste everywhere.

When Americans and Europeans came to view some of the outstanding characteristics of this Machine Age, they were able to agree that the following were of particular note: (1) The unrivaled natural resources of the country. (2) The relative scarcity of labor and the high standard of living. (3) The great increase in labor productivity, and the use of machinery in agriculture, transportation, and manufacture, as well as the remarkable utilization of hydroelectric power. (4) The vast domestic market. (5) Scientific management in industry and commerce. (6) Industrial peace, because of the more conservative and nonpolitical outlook of organized labor. (7) The dominant national trait of optimistic energy. Said *Recent Economic Changes*, in 1929, on this last: "The individual in America is mobile as to place and calling; he is moving upward. . . . The way to education and to promotion is wide open; indeed many ladders to advancement are available and their rungs are all intact, so he may climb who will."

America's capacity to produce was indeed impressive. It possessed 14 percent of the total world area, excluding the polar regions, and about 7.5 percent of the world's arable land. It produced 40 percent of the whole world's steel, 35 percent of the world's coal, 40 percent of the world's cotton, 60 percent of the world's petroleum and refined oil. The horsepower capacity of its electrical central stations and industrial power plants exceeded the combined electrical generating capacities of Germany, France, Great Britain, Canada, and the Soviet Union. The United States possessed 45 percent of the whole world's wealth.

Increases in productivity were startling: At the end of the 1920s, each American worker, on the average, was turning out half again as much goods as he had been able to create at the beginning of the decade. From 1900 on, the national output of goods and services had more than doubled, while the country's population had increased only 50 percent in the thirty years. Nothing indicated America's advance so significantly as these figures: in 1900 the country's national income was 19 billions of dollars; in 1915, 36 billions of dollars; in 1921, 58 billions of dollars, and in 1929, 83 billions of dollars. For the same years, the real income per worker had been $1,543, $1,650, $1,637, and $1,776.

In the golden 1920s America's great industries were textiles, machinery, steel and its products, automobiles, foodstuffs, paper and printing, chemicals, transportation and equipment, lumber and lumber products, stone, glass and clay, and nonferrous metals. Thus the United States had continued to develop evenly, producing both capital goods and consumer goods. But the twenties also had seen pioneering in new fields to employ new capital investments and to create job opportunities for fresh skills and for many of those workers who were being displaced by advancing mechanization in older industries. During the decade, radio, aviation, sound

movies, and the chemical industries had suddenly appeared and quickly grown to maturity.

The Automobile. Most important was the fact that the 1920s was the age of the automobile. It entered into mass production; its prices were lowered; and it made possible the appearance of a vast company of new activities and services. The Federal and state governments spent great sums on the improvement and hard-surfacing of highways; and Americans erected garages and repair shops and roadstands and tourist camps. America took to the road—seeking jobs, sunshine, and recreation.

In 1910, there were only 458,000 cars registered in the country; by 1929 there were 23,000,000. The name of Henry Ford became the symbol of American mechanical progress. Entering the automobile industry in the early nineties, and utilizing mass-production methods, in 1910 he turned out his first famous Model T. In 1928, when Model T was discontinued for a more luxurious car, 15,000,000 of these unattractive but amazingly efficient little vehicles had been manufactured and sold. The change-over from Model T to Model A pointed up another characteristic of the times. The change cost the Ford Company 100 millions of dollars; and the willingness to spend such large sums for conversion —always leading to greater productivity— demonstrated the bold leadership of large numbers of America's enterprisers.

Technological Unemployment. It is true that greater productivity per unit of labor meant the utilization of new machine techniques and the creation of new investment opportunities for savings. On the other hand, greater productivity made for labor displacement—and technological unemployment. Thus, over the 1920s, in manufacturing, there was an increase in productivity of 30 percent and a net loss of 546,000 workers; in railroad transportation, the increase in productivity was 20 percent and the net loss of workers was 253,000; in mining, there was an increase of productivity of 20 percent and a net loss of 100,000 workers. But what technological unemployment meant was really this: it required the retraining of workers and their shifting into other areas where expansion was occurring. If there were fewer jobs in railroading, there were more in trucking; if there were fewer opportunities in manufacturing, there were more in the service industries. The fact is, from 1922 to 1929, on an average, the total unemployed each year in the country was only between two and two and one-half million workers; and many of these were out of work because of choice or because of the fact that they were associated with seasonal trades.

The Position of Labor. Increases in national wealth, income, and real wages—along with the absence of serious unemployment during the greater part of the decade—helped to account for the growing conservatism of American labor. Organized labor continued largely to function among the skilled crafts, and saw no necessity for deviating from its traditional policies of voluntarism and pure-and-simple trade unionism. Many unions, like many corporations, were not averse to freezing the hard-won gains achieved through such tactics. These unions resisted the introduction of labor-saving machinery, insisted upon the maintenance of so-called featherbed jobs to make possible the sharing of the work among the whole union membership, limited entrance by requiring long apprenticeships and high initiation fees, and demanded the closed shop under which the union recruited the workers for the employer.

This was an uninspired leadership. Organized labor, too, had no programs to offer the workers in the country's new mass-production industries—automobiles, rubber, petroleum and its products. On the other hand, management was more aggressive—and more successful. It adopted welfare programs; installed profit-sharing devices; and encouraged workers to buy stock. It also fought the unions bitterly—with labor spies, terrorism, and

court injunctions. All these helped to account for the decline in trade-union membership and militancy. In 1920, there had been 5,111,000 trade unionists; in 1929, there were only 4,330,000, with more than 40,000,000 persons in the laboring force of the country. In 1920, there had been 3,411 strikes involving 1,463,000 workers; in 1927, there were 921 strikes involving 288,500 workers.

Real Wages. As plants expanded and wealth accumulated, the real wages of America's workers improved. As has been pointed out earlier, the period 1900–14 was one of no advances; and that of 1914–18 showed setbacks. But the forward march was resumed at the end of World War I. From 1918 to 1930, the increase in real wages was 100 percent! Most of these gains, however, had been achieved during 1918–22. From 1922 to 1930, during the country's great prosperity, the rise in real wages was only 20 percent.

At this point we may anticipate our story a little. Productivity was increasing faster than real wages; prices were not dropping as sharply as they might have because of "price management" in many industries; and a real profit inflation was occurring. In other words, capital was getting too much—and some savings therefore were entering speculative channels; while labor was not getting enough. This was one of the distortions in the economy of the 1920s that accounted for boom —and depression.

This fact can be demonstrated in another way—by an analysis of the distribution of family income. The Brookings Institution, in its well-known study, *America's Capacity to Consume*, showed that in 1929 the following great disparities existed: Families receiving $5,000 a year or better constituted but 8.2 percent of the country's family population, while they got 42 percent of the country's income. On the other hand, families receiving $2,000 a year or less made up 59.5 percent of the country's family population, and they got only 23.7 percent of the country's income.

The Role of the Corporation. The units of enterprise naturally grew larger as the dependence upon capital for investment in plant became more and more an outstanding attribute of the Machine Age. The corporation was as typical of the times as was the assembly line. In 1929, corporations accounted for 86 percent of the business done in transportation and other public utility fields, 92 percent in manufacturing, and 96 percent in mining. So significant had great corporations become, that one tenth of 1 percent of the corporations of the country owned more than half of the nation's corporate assets.

The tendency toward the creation of great consolidations—which had largely ceased in the United States by 1904—was resumed with new vigor in the twenties. In part this movement reappeared because of the opening up of new fields of enterprise to welcome capital investment: the automobile, electrical goods, the telephone, electric light and power, the radio, synthetics. There were other reasons as well. New consolidations were effected to permit of the exploitation of the national market; to bring about important economies through the use of common sales agencies or management; to achieve integration. Government was also less vigorous in its enforcement of the antitrust laws. There was, too, the pressure of accumulated savings which encouraged promoters—some of them unscrupulous rascals—to float new companies. Holding companies, particularly in the field of electric light and power, sprang up like weeds, heavily overcapitalized the properties on which they were based, and obtained large sums from the unwary by bond rather than equity issues.

Holding companies and mergers resulted in a greater concentration and control of America's industrial enterprise than ever before in its history. At the end of 1929, 3 companies in the telephone and telegraph fields had securities outstanding with a market value of 4.4 billions of dollars; 11 companies in the electrical equipment field had securities outstanding valued at 2.3 billions; 23 companies

in the automobile field had securities valued at 2.6 billions; 25 companies in iron and steel had securities outstanding valued at 2.1 billions.

Against these trends government never raised its voice. Its hands-off policy—nay, its benevolent approval—encouraged Americans to greater recklessness in company flotations and securities speculations. The Republican administrations of the 1920s sought to forget the lessons that the New Freedom had tried to bring to America.

2. *POLITICS IN THE TWENTIES*

Election of 1920. When the Republicans assembled in convention at Chicago in June, 1920, it was apparent to the whole nation that this was to be a Republican year. As a consequence, there was bitter rivalry among the contenders for the nomination; but on the ninth ballot Senator Warren Gamaliel Harding of Ohio pulled ahead of the other aspirants and on the next ballot he was nominated. As his running mate, the Republicans chose Governor Calvin Coolidge of Massachusetts. Harding had been a routine Republican politician and he had served in the Senate without any distinction. Coolidge had climbed up the slow ladder of political preferment until, in 1919, he had been elected governor of the commonwealth of Massachusetts. He had suddenly become a familiar name through the length and breadth of the land, when in September, 1919, he intervened in the Boston police strike. It is true that by the morning of September 11, order had been restored; but in the afternoon, Coolidge had appeared on the scene, assumed control, and poured into Boston militia units from all over the state. His telegram to President Gompers of the A.F. of L. that "There is no right to strike against the public safety by anybody, anywhere, at any time" had been widely applauded. He was reelected governor and was an obvious choice by the Republicans to balance their ticket.

The Democrats met at San Francisco later in June, and nominated Governor James M. Cox of Ohio and the youthful Franklin D. Roosevelt of New York as their standard bearers. The canvass of 1920 was a spiritless affair. The Democrats sought to rekindle old fires by proclaiming the election a "solemn referendum" on the question of American entrance into the League of Nations; but the Republicans refused to participate seriously in the debate. Harding was elected by an overwhelming majority, receiving 404 votes in the electoral college to Cox's 127. The Republican victory in the Congressional elections was equally impressive. There can be no question that the American voters seemed to welcome the return to "normalcy" which the President-elect had promised.

The Harding Administration. President Harding surrounded himself by a Cabinet that puzzled the country. The State Department went to Charles E. Hughes; the Treasury Department to Andrew W. Mellon, a wealthy banker of Pittsburgh; the Commerce Department to Herbert Hoover, who had been in charge of American relief work in Europe at the end of the war. But the rest of the offices were filled by undistinguished men some of whom were also venal. Before very long, it became apparent that the Cabinet and the executive offices were to be dominated by Harry M. Daugherty of Ohio, who was placed in charge of the Department of Justice. Daugherty spoke for the so-called Ohio gang, who were hard-drinking, card-playing spoilsmen and thieves.

From the beginning, the same kind of scandals that had plagued the earlier Grant administrations were to be Harding's lot. Corrupt practices immediately appeared in the Veterans' Bureau, the Department of Justice, and the Office of Alien Property Custodian.

Even more serious was the reckless squandering of the nation's oil reserves, which were turned over to private individuals by Secretary of Interior Albert B. Fall. Fall leased the famous Teapot Dome Reserve of Wyoming to his friend Harry F. Sinclair; and the equally important Elk Hills Reserve of California to another friend, E. M. Doheny. The secrecy attending the leases and the sudden wealth of Fall, who was known to have been in financial straits, led to a Senate committee investigation under the able direction of Senator Thomas J. Walsh of Montana. The result was the establishment of the guilt of many of those involved. The Secretary of the Navy and the Secretary of the Interior were compelled to resign their Cabinet offices; government civil suits to recapture the oil reserves were finally successful in 1927; and Fall was found guilty of accepting a bribe and was sentenced to jail.

Harding, undoubtedly, was not party to these crimes. But the appointments to places of public trust had been his; and morally it was just that he should assume a large part of the responsibility. Harding sank under the weight of these scandals, and died on August 2, 1923; Calvin Coolidge was now President of the United States.

Coolidge in Office. Coolidge's administration was undistinguished; but the country was not demanding bold leadership and creative statesmanship. Coolidge was willing to turn policy-making over to Hughes, Mellon, and Hoover in their respective domains. He gave the bull market his blessing. And he spent his time on unimportant concerns. But because the years of his administrations marked a golden age in American annals, his fellow citizens were prepared to regard the quiet little man in the White House with affection.

It was inevitable that Coolidge should be renominated by the Republicans; and when they held their convention at Cleveland in June, 1924, he was named on the first ballot. For the vice presidency, General Charles G. Dawes was selected. The Democrats met later in the same month at New York and sat almost continuously until July 10. The leading contenders for the Democratic nomination were McAdoo of California and Governor Alfred E. Smith of New York. Smith was not named because of the great power of the Ku Klux Klan in the councils of the party. The Democrats therefore turned to a compromise candidate and, after balloting more than one hundred times, finally nominated John W. Davis of New York for the presidency; with him was picked Governor Charles W. Bryan of Nebraska, the Commoner's brother. An important third-party movement once more made its appearance as a result of the growing dissatisfaction of insurgent Republicans with the conservatism of the Harding-Coolidge administrations. This Farmer-Labor party nominated Senator La Follette for the presidency and Senator Burton K. Wheeler of Montana (who was a Democrat) for the vice presidency. The Farmer-Labor ticket received the endorsement of the Socialist party, the executive council of the American Federation of Labor, and the railroad brotherhoods. Actually, however, La Follette's platform was directed largely at monopoly—that same monopoly which had been troubling the American West for the last half century. In other words, it was an agrarian program rather than a socialist one.

In the elections, Coolidge's majority over his two rivals was an impressive one; and he was easily elected. In the electoral college he received 382 votes to Davis's 136 and La Follette's 13. In the Congressional elections, the Republican triumph was so great that the insurgent Republicans were shorn of their power.

President Coolidge's good fortune did not desert him during the full term of his second administration. The country's phenomenal prosperity continued; industrial conflicts were few and unimportant; and peace and plenty reigned over the land. The result was that Coolidge was able to dictate the presidential ticket of his party in the election of 1928.

Election of 1928. The Republicans assembled at Kansas City in June and named Herbert Hoover for the presidency and Senator Charles Curtis of Kansas for the vice-presidency, both on the first ballots. The Democrats met at Houston, Texas, also in June, and now could not deny Smith. (The Klan by this time had become discredited.) Smith was nominated on the first ballot and Senator Joseph T. Robinson of Arkansas was selected to make the contest with him. Governor Smith made a gallant fight, but his cause was doomed to failure. (1) He had no economic program of dissent: he had nothing to offer labor and agriculture. (2) He was a "wet" as far as Prohibition was concerned, a position exceedingly distasteful to the old Bryan country of the South and the West. (3) He was a loyal member of New York City's powerful and frequently corrupt Tammany Hall. (4) He was a Roman Catholic. (5) And, of course, the golden era of prosperity stood in the way of a Republican upset, no matter how great the personal charm of the Democratic nominee.

The upshot was that the Democracy suffered its most humiliating defeat since the Civil War. Smith lost his own State of New York as well as the Southern states of Virginia, North Carolina, Tennessee, Florida, and Texas. He did not carry a single Border state. The Far West, which had voted for Bryan and Wilson, deserted him. His total electoral vote was 87 to Hoover's 444. The next Congress was also to be overwhelmingly Republican.

The Administration of Herbert Hoover. Herbert Hoover had become a wealthy man as a result of his successes in the promotion of mining companies. It was inevitable, therefore, that he should be an old-fashioned individualist. He was confident of the destiny of America; regarded with horror the idea of government intervention; and looked upon the federal offices largely as agencies for the promotion of business.

It was not his lot to serve out his term quietly. For the stock-market boom collapsed in October, 1929; and from then on through the rest of his administration depression gripped the land. Hoover also failed to resolve the knotty problems of Prohibition, farm relief, and water-power control. Into the bargain, from December, 1931, to March, 1933, the President was confronted by a hostile Congress. Once more Republican insurgency raised its head; and the insurgent bloc, led in the Senate by Norris of Nebraska, opposed Hoover on his own bills and united with Democrats to override his vetoes. In one area he was to meet with successes; for his Secretary of State, Henry L. Stimson, continued the good work begun by his predecessor and further strengthened America's growing bonds of friendship with the Latin American nations.

3. *SOME QUESTIONS OF THE HOUR*

Tariffs. During the twenties, public policy was largely concerned with the writing of tariff legislation, the debate about the Prohibition amendment, and the restriction of immigration. With the Republican party again in control of the presidency and Congress in 1921, it was inevitable that businessmen should demand and legislators should grant an immediate revision of the Democratic tariff of 1913. In May, 1921, Congress wrote the Emergency Tariff Act, which raised duties on agricultural goods, wool, and sugar, and devoted particular attention to the new chemical industry. Meanwhile, the House Ways and Means Committee and the Senate Finance Committee were redevising the whole tariff structure, schedule by schedule. The result of these labors was the Fordney-McCumber

Tariff Act of 1922 which contained the highest rates in American tariff history up to that time.

By 1928, the clamor against the act of 1922 was fairly general. American agriculture had been going through hard times in the twenties and was less sure of the efficacy of protectionism; on the other hand, protected interests felt they had not received enough. Congress therefore sat down once again to tariff tinkering and in May, 1929, the Hawley bill was reported out of committee to the lower House. It was not until May, 1930, that Senate and House could reconcile their differences, and the result of their agreement was the Smoot-Hawley Tariff Act. It turned out to have an even higher general average of rates than its predecessor; for the general average of ad valorem rates in the tariff law of 1922 was 33 percent, and in that of 1930, 40 percent.

One of the most impressive expressions of disapproval of the action of Congress came from one thousand trained economists, who signed a manifesto addressed to President Hoover, urging him to veto the bill. President Hoover refused to agree with these dissidents, insisting that the new tariff act would stay the course of the depression. But Americans in the years that followed were frequently to turn back to this statement of the economists and to ponder over its wisdom. The points the economists stressed were the following: (1) An increase in duties was calculated to raise prices for the consuming public; for high tariff duties encouraged wasteful concerns and unnecessary industries to continue in operation. (2) A high tariff limited the export of both agricultural and manufactured goods by the restrictions it placed on foreign trade. (3) Protectionism was incapable of helping agricultural producers because their surpluses flowed into the world market and helped to fix the world price. (4) A high tariff was bound to affect adversely American investments abroad and prevent the payment by debtor nations of interest and principal on loans made by Americans. (5) Reprisals by foreign nations were inevitable. (This last turned out to be no idle prophecy. Before 1931 was over, at least twenty-five countries had made extensive tariff revisions or had increased specific duties, or were threatening to do one or the other. In almost every important case, such acts were justified by the fact that the United States itself had led the way in the adoption of an economic-nationalist program when it closed its doors to the entry of foreign goods.)

Prohibition. Demand for the outlawing of the manufacture and the dispensing of alcoholic beverages had been an old staple of American reformism. This agitation was finally crowned with success when, in 1917, a new amendment to the Constitution—the Eighteenth—was drawn up by Congress. It aimed at the establishment of national Prohibition under the aegis of the Federal government. In little more than a year, the legislators of three fourths of the states had adopted the amendment and its proclamation followed on January 29, 1919. Congress wrote the Volstead Act for its enforcement; and on January 16, 1920, Prohibition went into effect without any compensation for the economic interests involved.

Prohibition, under the Eighteenth Amendment, had been designed to eradicate two evils—the saloon and intemperance. It is true that the saloon was eliminated by law. But in its place a set of vicious institutions arose —the speakeasies, beer flats, and blind pigs— which, being illegal, could flourish only because they were founded on an open contempt for the law and because they had the protection of a corrupt local officialdom. Also, they sold bad and sometimes poisonous liquor. As for universal temperance, not only was that ideal never attained but it soon appeared that America was drinking almost as much as it had been before 1914.

After a decade of the open flouting of the Amendment, most intelligent Americans had

come to the conclusion that Prohibition could not be enforced; that, indeed, it was producing a new crop of evils as serious as those it had sought to eradicate. It was leading to the demoralization of public officials, gang warfare, and a disrespect for law and law-enforcement agencies. Too, many states and local governments refused to cooperate with Washington.

In 1932, the Democrats finally took the bull by the horns and demanded the repeal of the Eighteenth Amendment, the legalization of beer, and the return of control to the states. Mr. Roosevelt's election seemed to constitute a popular mandate. Congress, therefore, in March, 1933, legalized the manufacture and sale of beer, and passed a joint resolution calling for repeal. The Twenty-first Amendment was ratified before the year was over. The new amendment, in addition to repealing the Eighteenth, promised, to such states as wished to remain dry, federal protection against the transportation and importation of intoxicating liquors into their areas. Before long, most of the states had legalized manufacture and sale, with one form or another of restriction on dispensing. In all not more than four or five states remained bone dry. And thus ended a rather curious effort to intrude upon the private lives of the American people. Intemperance undoubtedly was an evil; but the consequences of control had been equally disturbing. It was doubtful if Americans would tolerate the return of the "noble experiment."

Immigration Restriction. The movement inaugurated in the 1890s for the barring of undesirable immigrants and for the restriction of immigration on a selective basis continued with unflagging zeal into the new century. During the first decade, Congress constantly tinkered with the country's immigration code; added long lists of undesirables to those already banned; imposed a head tax and then raised it; compelled steamship companies to assume responsibility for the return of foreign-born in the excluded classes; and finally forced the passage of a bill requiring a literacy test, over repeated presidential vetoes. Cleveland had vetoed a literacy test in 1897; and so had Taft in 1913, and Wilson once in 1915 and again in 1917. This was the last stand on the part of the executive; for in May, 1917, a new immigration bill, incorporating the literacy-test provision, was passed over Wilson's veto. In addition, more groups were placed on the excluded list and the head tax was again raised, this time to eight dollars.

But the 1917 law, stringent as it was, failed of its purpose, for the fiscal year ending June 30, 1921, saw 800,000 new immigrants entering America. The demand for drastic restriction on a selective basis now once more appeared. Congress yielded; and spent a good deal of time during the twenties trying to perfect legislation that would not do too much violence to traditional American notions. The so-called quota system was adopted as the basis for restriction. The first quota law was that of 1921, and was to remain on the statute books for a year. It provided that a system of quotas was to be set up for newly admitted foreign born, under which the total of any particular nationality to be granted admission was not to exceed 3 percent of the number of persons of that same nationality living in the United States in 1910. The basis of the system was to be land of birth, not the land of last residence, and it was to apply to all countries except those in the Western Hemisphere. In May, 1922, this Emergency Quota Law was reenacted for another two years.

After a good deal of debate, most of it obscure and all of it really unsatisfactory, Congress passed and President Coolidge signed the new Immigration Quota Law of 1924. Here the principle of selection was based upon racial stock. The quota base from July 1, 1924, to June 1, 1927, was to be 2 percent of the foreign born of each nationality resident in the country at the time of the 1890 census. After July 1, 1927, the quota base was to be "that proportion of 150,000 which the number of persons of a given national origin

residing in the United States in 1920 bears to the country's total population in 1920." The minimum quota from any one country was to be 100. The quota system was to apply to all countries with the exception of Canada, Mexico, and the independent nations of Central and South America.

Again there was confusion because of the inability to determine what was the so-called national-origins base of the American population. Hoover asked to be released from the Congressional mandate; Congress refused; with the result that in March, 1929, a set of quotas—admittedly based on guesses—was announced. The new system limited the number of quota immigrants to 150,000 annually; it was particularly partial to prospective immigrants from Great Britain and Northern Ireland; it did not seriously affect the comparative status of arrivals from southern and eastern Europe; but it did lower sharply the quotas for Germany, the Irish Free State, and Scandinavia.

By the end of the twenties, therefore, selective immigration had become a reality and the new additions to our population were coming from lands whose racial stocks, or national origins, had been prominent in the settling of America up to the last quarter of the nineteenth century. Thus was ended another epoch in American history: the doors of the United States, as the historic haven of the oppressed in all lands, were swinging shut.

4. DARK CORNERS IN THE UNITED STATES

It would be false to draw the conclusion that Americans lived in smug content as they surveyed their world of the 1920s. There were many dark corners in it, and the thoughtful were not averse to looking into these and calling to the attention of the rest the disconcerting and in fact dangerous things they found there.

Agriculture. The agricultural community in the population was in a bad way; indeed, it was apparent that, unless government was prepared to subsidize, agriculture had fallen on permanent hard times. During the whole of the 1920s, it was depressed: land values plunged downward, crop prices dropped, and the burden of debt and taxation became unbearable. In 1919, the total farm income was 15 billions of dollars; by 1929, it was 12 billions; and by 1932, 5 billions. In 1919 (with the average for 1909–14 as 100), the prices paid by farmers for the commodities they needed stood at 206; the prices they received were at 205; making a ratio of prices received to prices paid of 99. In other words, the farm dollar was worth 99 cents. But in 1929, it was worth only 89 cents; and in 1932, only 47 cents. Put simply, during the whole decade farm prices had been sharply deflated; while farm costs—necessaries for home and field, mortgage debt, taxes—were still high. As a result, farms were being sold for tax delinquencies and mortgage defaults; and tenancy was sharply on the increase. In 1880, 25.6 percent of all the farms in the country were being operated by tenants; in 1930 the proportion was 42.4 percent.

Largely at the basis of the agricultural depression lay this simple fact: The foreign market for American agricultural wares was contracting and the domestic market did not expand. As a result of the war and because so many European countries had become debtor nations, it had become increasingly necessary that they grow their own foodstuffs. In addition, new areas of production, particularly in connection with wheat, meat products, and cotton, had appeared; and American agriculture was being compelled, therefore, to meet increasingly the growing competition of the new lands of Canada, Argentina, Australia, and the Far East.

Further, the possibilities of increasing do-

mestic consumption of agricultural goods, in order to take in the slack, were remote. The following factors may be noted: (1) Population growth was slowing down. (2) Profound changes in dietary habits were taking place. (3) Improved methods of heating homes and the growing elimination of the need for hard, physical toil made it possible for men as well as women to dispense with foods with high caloric contents. (4) Cotton was being replaced by rayons and other chemically produced fabrics. (5) Agriculture itself had become more mechanized and efficient—there were, in short, too many farmers.

The depressed state of agriculture made the position of the sharecropper in cotton and tobacco in the South pitiable indeed. Here existed a vast rural slum, where living conditions were at a primitive level; low incomes, inadequate sanitation, and poor diets produced a heavy crop of illness and mortality. The sharecroppers were white as well as black; indeed, by the twenties, the whites, driven off their own subsistence farms, were outnumbering the blacks. Said a Congressional committee report about the plight of these poor people: "We find the unwholesome spectacle of men, women and children . . . moving from farm to farm each year. This social erosion not only wears down the fibers of the families themselves; it saps the resources of the entire social order."

The Negro. The problem of the Negro continued to trouble the waters. The Negro had begun to move out of the rural South in the 1880s. He had been brought into the cities of the South as an industrial worker, frequently as a strikebreaker, and he continued to exist on the periphery of heavy industry as an unskilled laborer, the last to be hired and the first to be fired. The skilled crafts affiliated with the American Federation of Labor shut their doors to him. His lot was segregation, and his living was a poverty-stricken one. In 1915–20, the second great Negro migration had taken place, this time into the Northern cities. The Negro came to work in the new war industries; and again he sometimes appeared as a strikebreaker. The Negro communities of New York, Chicago, Philadelphia, Cleveland, and Detroit expanded greatly and dangerously—dangerously because housing and recreational facilities were inadequate and, because after the war was over, the competition for jobs pitted white worker against black workers. Here, too, segregation appeared, and race tensions now and then reached the breaking point. It was not until the appearance of the CIO that bars to the entrance of Negro labor into unions began to be let down; and it was not until World War II that pressures were beginning to be brought to bear on employers, by federal and state action, to compel creation of equal opportunities for Negro labor in industry.

The Ku Klux Klan. There were also ignorance and prejudice to sully the record. The Ku Klux Klan, after sixty years of silence, raised its head once more in the early twenties and under the cloak of secrecy sought to foment racial and religious hatreds by its attacks on Negroes, Catholics, and Jews. The Ku Klux Klan became a great political power in many Southern states and in some Middle Western ones; and it was strong enough to prevent the nomination of Alfred E. Smith for the presidency by the Democratic party in 1924, as we have seen. Fortunately, the leadership was stupid and grasping; and when some of its members assumed public office they engaged in unlawful acts. This made it possible for the law officers to move in, with the result that public exposures shamed many fair-minded persons into leaving the order. By 1925 the Ku Klux Klan was declining. Although there were also other areas in which intolerance appeared, such attitudes were still those of a minority and affected the American way of life—which was uniformly generous and fair-minded—only occasionally.

The Laissez-Faire State. Finally, one might mention the passivity of the state. America

was wedded to the theory and practice of laissez-faire, more so, in fact, than any other nation. Federal responsibility for distress, unemployment, insecurity, the fluctuations of the business cycle—this was considered outside the proper function of government. Consequently the Federal government lagged far behind the enlightened countries of Europe in social achievement. Nor was government disposed to interfere in the conduct of business as long as employment continued and there was adequate consumption power. How entrepreneurs deported themselves, as regards their workers and consumers, and what measures investment bankers took to promote securities and maintain markets for them, presumably lay outside of the governmental concern. There was no understanding yet that runaway booms could be as harmful in their effects on the economy and on the morale of the American people as were the ensuing depressions. These were lessons to be learned; and America was to learn them the hard way.

5. *THE COURSE OF BUSINESS*

The Recession of 1921–1922. With the end of World War I, the course of American business climbed to even higher levels than it had reached during the war years themselves. A heavy domestic demand for consumer goods, the revival of commercial and residential construction, the great expansion of foreign trade—these led to a postwar boom. Prices moved up sharply—increasing almost 20 percent in the year and a half from November, 1918, to May, 1920. And profits mounted, corporation net incomes for 1920 exceeding 8.4 billions of dollars.

Then recession took place in May, 1920, and it continued for almost a year. In part this was due to the overstocking of inventories by businessmen, and the consequent overexpansion of bank credit. When credit no longer became available and banks began to call in their loans, businessmen sought to liquidate their stocks of goods and material. Foreign purchasing also declined sharply. As prices dropped and corporation profits melted away, commercial failures and unemployment filled the land. When the deflation spent itself—after more than a year of hard times—wholesale prices had fallen almost 40 percent.

Prosperity. In the spring of 1922, revival once more was appearing and, except for brief setbacks in 1924 and 1927, it continued and reached impressive proportions up to 1929. Unemployment disappeared; real wages went up; corporate profits once more became very large; and the purchasing power of the American people became the wonder of the whole world. The national income by 1929, exceeded more than 83 billions of dollars.

The outstanding forces responsible for this unparalleled prosperity may be noted: (1) Residential, commercial, and industrial construction requirements led to a great building boom which reached its peak in 1925–26. This provided jobs for nearly three millions of construction workers; and also another one and one-half million jobs in the building-materials industries. (2) The great expansion of the automobile industry—in car manufacture and in the allied industries associated with it—had constantly widening effects on employment and profits. (3) New private investment took place in these fields; equally impressive was public investment. New highways, schools, and hospitals were built. (4) There was a vast expansion of the utility industries, particularly in connection with the production of electrical light and power. During the twenties, America's electric power capacity was doubled. (5) Foreign trade revived, thanks to the willingness of the American investor to finance it. That is to say, American tariff laws made it impossible for other peoples to balance imports from the

United States with their own exports. But the constant flow of American capital overseas—invested in foreign securities and properties—paid for European purchases of our automobiles, petroleum, copper products, office appliances, agricultural machinery, and vast quantities of cotton and tobacco. During the five years, 1921–25, American exports every year on an average exceeded imports by 947 millions of dollars; and during the five years 1926–30, by 744 million dollars every year. When the depression set in and foreigners began defaulting on their American dollar bonds, our export trade collapsed. By limiting imports and exporting capital, we had tried to have our cake and eat it, too; and we had failed.

Prices. From 1922 to 1929, wholesale prices remained stationary. Usually, in periods of boom, prices rise; and because they did not do so during the twenties, it was assumed that we were experiencing a "profitless economy." This was obviously an inadequate reading of the situation. (1) Corporate profits continued great—the greatest in our history. (2) The over-all average of wholesale prices concealed sharp price drops in agriculture, cotton textiles, and bituminous coal—none of which enjoyed prosperity. (3) Because productivity was increasing on so great a scale during the decade—and because costs were dropping, therefore—prices should have declined. That they did not do so was evidence of the existence of inflation, instead of the reverse. Indeed, it may be said that from 1927 to the summer of 1929 a profit inflation was occurring.

A good deal of the fruits of this last moved into securities speculation, and here prices soared. One may obtain some notion of the inflated value of securities from the downward course they pursued during the depression. On October 1, 1929, the market value of the listed stocks on the New York Stock Exchange was 87 billions of dollars; on November 1, 1930, this had shrunk to 55 billions; and on March 1, 1933, to 19 billions.

Credit Expansion. All this fed a constant and extraordinary expansion of credit. Individuals—through installment buying—had no trouble in financing purchases of durable consumer goods—automobiles, furniture, radios, washing machines, vacuum cleaners, refrigerators. At any given time, the installment debt outstanding was as high as two and one half billions of dollars. Nor was it hard for individuals to acquire equities, bonds, real estate; for all they had to do was pledge such properties to acquire the funds to purchase them.

Nor did businessmen and corporations find the processes of going into debt any harder. Companies were refinanced—frequently by the issuance of bonds and preferred stocks—and, with fresh capital, expanded plant and inventories. New holding companies and mergers were created, again accompanied by a pyramiding of capital values. Foreign dollar bonds were floated, with great profit to their promoters. This credit inflation in turn encouraged overexpansion of business enterprise and a further inflation of credit took place. Thus the round continued until the balloon had been blown up to dangerous proportions. When it was pricked, the boom collapsed and the prosperity of the twenties vanished.

Rather than interfere, the Federal government encouraged the credit inflation. In the summer of 1927, with recession threatening to continue, the Federal Reserve Board stepped in and forced down the money rate. It was committed to a regime of "cheap money." From then on, speculation and company promotions could not be checked—and the cycle continued upward until the crash.

The Depression. For those who were prepared to read, danger signals were already appearing early in 1929. The great building boom had ended by the fall of 1928; automobile and steel production began dropping off in August, 1929; American oil wells were producing in excess of the market demand

by the same time. The raising of the English money rate to 6½ percent and the outward flow of European capital, in October, 1929, were the first indications that the house of cards was sagging. Actual collapse came in the two weeks following October 24, when stock prices tumbled as much as 80 percent below their highs for September, and almost 25 billions of dollars in market values were wiped out.

Panic led to recession and recession was prolonged into deepening depression during 1930, 1931, and 1932. Between 1929 and 1932, the total physical output of goods was reduced 37 percent; and total labor income 40 percent. In March, 1933 (with the monthly average of 1923–25 as 100), the index of industrial production stood at 60; that of construction at 14; that of factory employment at 61; that of factory payrolls at 38; that of wholesale prices at 60. The farmers' purchasing power was reduced 50 percent. There were at least 15,000,000 unemployed persons; and with the unprecedented collapse in prices, the burden of debt had become intolerable.

6. FOREIGN RELATIONS OF THE TWENTIES

Imperialism. Despite the political isolationism of the period and the adoption of high tariff laws, the American economy was extending its influence more and more into regions beyond its borders. This was due to the fact that the United States had become a great creditor nation; and the investments of its citizens were to be found not only in the Western Hemisphere but increasingly in Europe and Asia as well. In a sense, this tendency might be characterized as imperialistic. And yet, on the one hand, it was unlike the older mercantilism of the seventeenth and eighteenth centuries; and, on the other, it differed sharply from the expansive and exploitative programs of European empire-building.

The imperialism of the modern world—the imperialism of colonies, spheres of influence, and protectorates—had these political-economic characteristics: Outposts were necessary in which to establish coaling and naval repair stations and from which to guard vital sea lanes (Gibraltar, Suez, Singapore, and so on). Overseas establishments were important because of the existence of economic and limited raw materials (as vegetable oils in West Africa, tin in Malaya, rubber in the Netherlands Indies). Into the new colonies, spheres of influence, and protectorates could move the surplus savings for investment for which opportunities in the mother countries were beginning to dwindle. Into them also could move, not so much surplus populations, but those members of the middle class whose training and skills were not completely absorbed at home—the engineers, business executives, civil servants, and army officers.

The modern-day imperialism, unlike the mercantilism of the seventeenth and eighteenth centuries, was not based on a closed system. American capital had just as much chance in Canada as did English capital; and American and English capital were not barred from an independent and sovereign state like Argentina. But in another way the new system was not unlike mercantilism: the colonial establishments were maintained for the benefit of the mother country. That is, standards of living, notably in these regions where there were large native populations (Africa, Asia) were kept at low levels, while the profits of exploitation flowed overseas to the mother country. But this last distinction, however, characterized more particularly the policies of European Powers rather than those of the United States.

In fact it was hard to call the United States an imperialist nation in such terms. True, America had expanded south into the Carib-

bean and westward into the Pacific Ocean. But its interest in the lands around the Panama Canal was founded largely on military necessity; for penetration into this region by any European Power hostile to the United States threatened American existence. And the same was true of the expansion of the United States into the Pacific. The United States faced on two oceans and needed a powerful fleet to patrol both. Such a fleet in the Pacific required coaling and repair stations, as well as outposts from which hostile movements might be detected. If the United States may be said to have adhered consistently to a single policy in its international relations, certainly since the 1890s, it was this double-barreled one that called for a defense of the Caribbean and the western Pacific for military rather than for economic reasons.

Our Creditor Position. Indeed, while we were becoming a creditor nation during the 1920s, we found less need for exporting capital overseas for profitable investment than was true of the European countries. It has already been pointed out how, in the twenties, new capital formation was taking place in the United States not only as a result of public investment but also because of the great expansion of America's steel, hydroelectric, automobile, and chemical industries. This was not true of the European nations; they had limited natural resources at home, and with built-up plants in the heavy industries they had to export capital or decline. The contrast may be put sharply and simply in these terms: During the 1920s, roughly from one fourth to one third of English savings went out of that country every year for foreign investment. During the same decade, only about one twentieth of American savings every year had to seek foreign outlets.

Again, only a small part of American overseas investments went into the backward regions of the world. To this extent American capital was not exploitative of native populations. Of the 16 billions of dollars of American private investments abroad at the end of the 1920s, 4 billions were in Canada and 5 billions were in Europe. We had only 176 millions invested in China; 166 millions in the Philippine Islands; 87 millions in the Dominican Republic; 28 millions in Haiti; and 13 millions in Nicaragua.

Further, American portfolio investments were greater than direct investments. (The term "portfolio investments" means American ownership, without control over policies, of foreign securities of both a public and a private character. The term "direct investments" means American ownership or control over the business policies of foreign factories, mines, branch banks, sales agencies, and the like.) At the end of the 1920s, of the total of 16 billions of dollars of American private holdings abroad, 7.9 billions were in direct investments and 8.2 billions were in portfolio securities. This was the reverse of the experiences of the European imperialist Powers. The fact is, our large portfolio investments, because most of them were in public securities, helped the national, provincial, and local governments of other lands to raise living standards, rather than the reverse. Foreign health, education, and public-works authorities were able to make use of American funds to maintain their activities. An interesting case in point was that of Germany. At the end of 1930, we had 1.4 billions invested there, of which 1.2 billions were in portfolio investments.

And finally, there was a touch of adventurism about much of our investing, notably in the years 1923–30. Because of the bull market at home, and a lack of responsibility on the part of some of America's investment banks, unsound foreign loans were floated in the American money market, which the too gullible American investment public took up without careful scrutiny. Americans were persuaded to buy—and they bought willingly—the dollar bonds of Poland, Bolivia, and Italian cities, and the securities of European manipulators and cheats like Krueger, without responsibility or investigation. The serv-

icing of such securities terminated as soon as the depression set in; and because of such defaults, dollar bonds were bought back at heavy discounts during the early 1930s. Americans therefore lost heavily as a result of these operations.

It has already been said that the United States emerged a creditor nation as a result of World War I. How significantly we advanced along these lines may be noted from the following summary figures: On December 31, 1919, American investments overseas totaled 7 billions of dollars; on the other hand, European investments in the United States came to 4 billions; and this left a net balance in our favor of 3 billions. On December 31, 1929, American investments overseas came to 17 billions of dollars; European investments in the United States totaled 9 billions; and this left a net balance in favor of the United States of 8 billions.

America as a World Economic Power. These facts are of the utmost significance to an understanding of America's world position: such great capital operations overseas were not an ephemeral phenomenon which grew out of the unprecedented prosperity of the twenties. This had become a permanent characteristic of the American economy; the United States was one of the great creditor nations of the world. The depression beginning in 1930 affected our position only in detail. And at the end of World War II, virtually all nations of the earth looked to the United States for succor, turning to our savings for credits so that they could restore and advance their industrial processes. If we used our financial strength wisely—demanding that in exchange the channels of world trade be kept open freely and raw materials made accessible to all; if we insisted that such credits be used constructively for new transportation facilities, hydroelectric developments, and heavy industry installations, then our capital would be one of the most beneficent forces in the world. For standards of living everywhere would be raised, and the universal fears of want and insecurity would be routed.

Naval Limitation. All this was occurring in the twenties without significant public guidance. Where, however, public policy intervened in international relations, it blundered seriously. There was an air of unreality about the maneuvers of the 1920s.

Of the League of Nations, the United States had formally washed its hands; certainly the problems of Europe—outside of the reparations question—Americans would not touch with a ten-foot pole. The question of European security, the danger of a rearmed and once again powerful Germany—these problems we would not face, and therefore they were banished from our consciousness. On the other hand, we were ready to take the lead in pushing a world program of naval disarmament. For us to disarm under an international authority, with police power—an authority, incidentally, in which we were participating—would have been one thing; for us to disarm in a world where fierce national ambitions and imperialist rivalries once more were raising their heads was another thing and nothing less than quixotic.

These were the horns of the unfortunate dilemma upon which the United States was plunged as a result of the policies of the 1920s. In a sense, our predicament grew out of the fiscal policies of the Secretary of the Treasury, Andrew Mellon. The unbalanced war budgets, the mounting public debt, and the heavy taxes on personal and corporate incomes were regarded with distaste by the Republican administrations. To return to a peacetime basis completely and at once, notably to reduce the cost of government (even if this meant the sacrifice of our naval establishment!) was presumably the most important requirement of a sound national economy. Retrenchment became almost an obsession in Washington—and in the processes we gave up voluntarily that weapon which, had it existed, might have led aggressor and

would-be aggressor nations to take second thought. Ironically enough, too, had the Treasury been less willing to eliminate so quickly the surtaxes on incomes, this fiscal policy might have served as a brake on the runaway securities inflation that took place in the second half of the decade.

The Washington Conference. Twice, at the Washington Conference of 1921–22 and at the London Conference of 1930, we took the lead and cut our naval forces—in the interests of world peace. There was to be no peace, as it turned out; the only real result was that Japan lost all fear of an American threat in the Pacific and went about laying plans for the establishment of a Japanese hegemony over the South Seas. By the naval agreements that emerged from the Washington Conference, the United States reduced its capital-ships establishment so sharply that we were incapable of maintaining a two-ocean navy and, therefore, no longer had the strength to exercise an effective and offensive striking power in the Pacific. Also, the United States pledged itself to the maintenance of the *status quo* as far as fortifications and naval bases in the Pacific were concerned. In other words, the long line of American outposts from the Aleutians to the Philippines was to lie undefended. So of course—or presumably—were those islands, once the possession of Germany, which Japan now held as the mandatory power under the League of Nations. Subsequent events were to reveal that the Japanese had not the slightest intention of carrying out their pledge in good faith.

Chinese Sovereignty. Gestures were also made in the direction of securing the maintenance of the balance of power in the Pacific and the sovereignty of China. At the Washington Conference, a so-called Four-Power Treaty (the participants being the United States, Great Britain, Japan, and France) was signed whose purpose it was to respect mutually the rights of the signatories in relation to their insular possessions and dominions in the Pacific. The Nine-Power Treaty (in which the Great Powers were joined by other nations having interests in the Far East) guaranteed the territorial integrity of China with the continued recognition of the Open Door principle. Another agreement among the nine Powers called for the establishment of the principle of China's control over her own tariff and the surrender of extraterritoriality. We made this surrender in 1942 and thus recognized the sovereignty of China without reservation.

Japan was the only gainer. Despite its inadequate resources, it now no longer had to fear the threat of an American capital-ship race, particularly for the control of the Pacific. Japanese naval bases and stations were safe too from American inquisitive eyes; for we were not participating in the mandate machinery. Japan was assured against American fortifications of the Aleutians and Guam. And because destroyers and submarines were not affected by the treaty limitations, Japan could go ahead and build these warships to her heart's content. She did so; while we made no effort to match her new construction. And as for China, Japanese designs were already hatched to overawe that nation.

The London Conference. In 1930, at the London Conference, the same road of naval disarmament was followed. America permitted the Japanese to build up to our power in submarines; we gave them greater light cruiser strength, establishing their supremacy in the western Pacific; we renewed our pledges about our Pacific naval bases. We then turned around and yielded before the pressure of England. We limited heavy cruiser construction and consented to build smaller cruisers armed with lower-calibered guns. And we included a so-called Escalator Clause in the treaty which reserved to Great Britain the right to increase its cruiser fleet to two-power standing. Finally, the capital-ship construction holiday, which had been agreed upon at Washington, was to be continued until the

end of 1936. In other words, our State Department had not only surrendered any chance of achieving supremacy in the Pacific, but it had also given up any hope of maintaining it in the Atlantic. Thus the comedy of disarmament was played out to its ironic conclusion; and we had to wait a long time after Japanese aggression had broken out before we were in a position to challenge her pretentions.

The Postwar Debt Settlement. Operating outside of the framework of the League, the United States sought to effect another set of agreements—those having to do with the interallied debts. During the pre-armistice and post-armistice periods, the United States had extended, in cash and supplies, credits totaling 10.4 billions of dollars to her allies in World War I. On the other hand, in 1921, the Reparations Commission under the Treaty of Versailles had fixed German indebtedness to the allied nations at 33 billions of dollars. Neither of these accounts, it became quickly apparent, could be settled in full; and it was also more and more obvious that debts and reparations had to be linked together. If the Germans paid reparations, our interallied debtors would pay us.

Thus, we had to become broker and banker at one and the same time without having any power over the economic policy of the vanquished Germany. It came down to this: To collect on the interallied debts, we had to help Germany pay on the reparations account, since her creditors balked at accepting goods. We, therefore, as private bankers, extended loans to Germany. With part of these loans, Germany paid to England, France, Belgium, and Italy; and they paid to us. With another part, Germany maintained a spurious peacetime army and built up her civil aviation industry. To get some of our wartime loans back, we ended by permitting Germany to rearm and to menace once more the European peace settlement. It was along these strange paths that the isolationist policy and the economic program of the Harding-Coolidge-Hoover administrations took the United States during the 1920s.

Twice—the first time in 1924, as a result of the Dawes Plan; and the second time in 1929, as a result of the Young Plan—the United States helped in the redevising and the cutting down of the reparations bill. But the depression had already set in when the Young Plan was put into effect; and in 1931, President Hoover was compelled to reexamine the problem in all its aspects. The result was the announcement of the so-called Hoover Moratorium, under which neither reparation payments nor interallied debts were to be paid for a whole year. Now and for the first time, Washington had taken official cognizance of what everyone knew had existed: that the two were sides of the same shield. In any case, the Hoover Moratorium continued and neither of the two sets of payments to any measurable extent was ever resumed. What did we get for our pains? Nothing; except perhaps the ill will of the European peoples, who were resentful of our withdrawal into isolationism and of our effort to collect the bill on what had been considered a common war effort.

The Kellogg-Briand Pact. The United States refused to assume any responsibility for the maintenance of peace through an international economic and military machinery. This did not prevent us from engaging in harmless gestures. Along with France, the United States initiated a program for outlawing war—without making any provision for checking or punishing aggression. This was the so-called Kellogg-Briand Pact of 1928. All this pact did was to make a number of solemn declarations. Article I outlawed war "as an instrument of national policy." Article II pledged the signatories to the settlement of all disputes, of whatever nature, by pacific means. And that was all. Under the pact, no nation sought to reduce armaments; and in three years, in 1931, the pact was openly flouted when Japan invaded Manchuria. All these earnest labors on the part of Washing-

ton simply ended by destroying American effectiveness when aggression appeared.

The United States and Latin America. In the Western Hemisphere, American achievement was more real. We came to a fair understanding with Mexico; we repudiated the Roosevelt Corollary of the Monroe Doctrine; we indicated our willingness to surrender the dubious right of intervention; and we began that Good Neighbor policy which the 1930s were to see so happily extended.

Mexico. The Mexican government had gone ahead to implement the mandates of the Constitution of 1917 by passing petroleum and land laws in 1925. These seemed to threaten seriously American property rights; and Secretary of State Kellogg protested against the laws. However, the oil and land statutes were put into effect by Mexico.

The time had now come for a clarification of all the disagreements and misunderstandings with Mexico. In October, 1927, Dwight W. Morrow, partner in J. P. Morgan and Company and personal friend of President Coolidge, was sent as the American ambassador to Mexico City. Morrow was tactful and genuinely friendly, and he carefully cultivated the good will of the Mexican people. The Mexican government was appreciative and at once began to make sweeping concessions. The oil statute was liberalized and assurances were given that the Mexican courts were ready to protect American property rights. In 1929, the Mexican government, which for the preceding three years had been carrying on a heated controversy with the Catholic Church and threatening to seize all church properties and secularize education, adjusted this difficulty, too, on the basis of a compromise. And in 1930, the Mexican churches were once again opened to worshipers. By this step, American Catholics were conciliated and no longer demanded intervention on the part of the United States.

Caribbean Policy. In the twenties as well, the United States was clearing out all those dark corners in the Caribbean which the interventionist policies of Theodore Roosevelt, William Howard Taft, and Woodrow Wilson had permitted to appear. Our marines were withdrawn from the Dominican Republic in 1924, and from Haiti in 1930; and our control over the internal affairs of Nicaragua terminated in 1933. Also, American commissioners committed the United States to a policy of nonintervention in the "internal or external affairs of other American states." Following this assurance, we recognized the Argentine, Brazilian, Bolivian, and Peruvian revolutionary governments of 1930. Only one exception was made and that was in the case of the Central American countries; and here we were agreeing with these nations themselves, on the basis of a convention drawn up in 1923, when they had pledged themselves mutually not to recognize any government in the region which had seized political control by a coup d'état.

Repudiation of the Roosevelt Corollary. It has been said that our Caribbean policy had been based largely upon the need for safeguarding the seaway approaches to the Panama Canal. But, from the middle twenties on, even this policy was in process of liquidation: partly because Washington accepted the idea that European Powers no longer were threatening American security in the region, partly because of the need for continuing to gain the good will of Latin American peoples.

The most important step taken in this connection was the repudiation of the Roosevelt Corollary of the Monroe Doctrine. That statement had made the United States stand in the role of guarantor for the nations of the Western Hemisphere—that they would preserve the peace, pay their debts, and meet their financial obligations to European countries. In March, 1930, the State Department made public a memorandum on the Monroe Doctrine, written in 1928 by J. Reuben Clark, at that time Undersecretary of State. In this document the Monroe Doctrine was rede-

fined, this time without those aggressive overtones which had been read into it by Theodore Roosevelt and his successors. The Clark memorandum declared that the Doctrine did not concern itself with purely inter-American relations; it stated a case of the United States versus Europe, and not of the United States versus Latin America. Indeed, Clark went on to say: "So far as Latin America is concerned, the Doctrine is now, and always has been, not an instrument of violence and oppression, but an unbought, freely bestowed and a wholly effective guaranty of their freedom, independence, and territorial integrity against the imperialistic designs of Europe."

These developments were positive tokens of good will and were a harbinger of the time when Latin American suspicions of "Yankee imperialism" would largely be dissipated. The policy inaugurated by Secretaries Kellogg and Stimson was continued by Secretary Cordell Hull with the active support of President Franklin D. Roosevelt. At least, the beginnings of the Good Neighbor policy emerged out of the ineptitudes and blunderings of American international relations in the 1920s.

THE AMERICAN MIND

WESLEY C. MITCHELL

PRICES SOARED after the removal of wartime controls in 1919, and the United States presumably was ready to return to "normalcy." What actually occurred was a sharp inflation and then a sudden collapse: prices dropped badly in 1921; the bottom fell out of the grain market; the bubble of high farm-land values burst and brought many farmers to ruin. Urban values sagged in the same fashion: peace ended the war demand for labor and munitions; wages fell; and the returning veterans added to the labor supply. Unemployment swelled so fast the estimates of 5,000,000 jobless went unchallenged.

President Harding, or rather his Secretary of Commerce, Herbert Hoover, called a Conference on Unemployment. The conference met, appointed a committee of experts to collect statistics, and authorized the printing of a long report considering many phases of the issue, among them the nature and effects of the business cycle.

That study was conducted by one of the country's foremost academic authorities on the problem, Wesley Clair Mitchell (1874–), professor of economics at Columbia University, and it is his description of the business cycle and its human consequences which opens the economic history of a decade that was to close with the crash of 1929. Professor Mitchell had published his first classic statement on the four phases of the business cycle in 1913; here he reformulates his theory in general terms.

The conference report was published in 1923, when the depression was already over. Agricultural prices remained distressingly low; but expansion in automobiles and the development of a new industry, radio broadcasting, helped blunt the edge of unemployment. The great boom of the later nineteen twenties was in the making, and few heeded the warnings of the experts that unless government and business took proper measures, revival and prosperity would inevitably be followed by crisis and depression.

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Business Cycles

BY WESLEY C. MITCHELL

THE GREAT MASS of the unemployed in periods like that which led President Harding to call the Conference on Unemployment are workers who have been "laid off" because of business depression. The reason why millions of men lose their jobs at such times is that employers are losing money. Hence it is best to begin a study of methods of stabilizing employment by looking into the processes which every few years throw business into confusion.

I. THE NATURE OF BUSINESS CYCLES

Fifteen times within the past one hundred and ten years, American business has passed through a "crisis." The list of crisis years (1812, 1818, 1825, 1837, 1847, 1857, 1873, 1884, 1890, 1893, 1903, 1907, 1910, 1913, 1920) shows that the periods between successive crises have varied considerably in length. Further, no two crises have been precisely alike and the differences between some crises have

been more conspicuous than the similarities. It is not surprising, therefore, that business men long thought of crises as "abnormal" events brought on by some foolish blunder made by the public or the government. On this view each crisis has a special cause which is often summed up by the newspapers in a picturesque phrase "the Jay Cooke panic" of 1873, "the railroad panic" of 1884, "the Cleveland panic" of 1893, "the rich man's panic" of 1903, "the Roosevelt panic" of 1907.

Longer experience, wider knowledge of business in other countries, and better statistical data have gradually discredited the view that crises are "abnormal" events, each due to a special cause. The modern view is that crises are but one feature of recurrent "business cycles." Instead of a "normal" state of business interrupted by occasional crises, men look for a continually changing state of business—continually changing in a fairly regular way. A crisis is expected to be followed by a depression, the depression by a revival, the revival by prosperity, and prosperity by a new crisis. Cycles of this sort can be traced for at least one century in America, perhaps for two centuries in the Netherlands, England, and France, and for shorter periods in Austria, Germany, Italy, Spain, and the Scandinavian countries. Within a generation or two similar cycles have begun to run their courses in Canada and Australia, South America, Russia, British India, and Japan.

At present it is less likely that the existence of business cycles will be denied than that their regularity will be exaggerated. In fact, successive cycles differ not only in length, but also in violence, and in the relative prominence of their various manifestations. Sometimes the crisis is a mild recession of business activity as in 1910 and 1913; sometimes it degenerates into a panic as in 1873, 1893, and 1907. Sometimes the depression is interrupted by an abortive revival as in 1895, sometimes it is intensified by financial pressure as in 1896 and 1914. Sometimes the depression is brief and severe as in 1908, sometimes it is brief and mild as in 1911, sometimes it is both long and severe as in 1874–1878. Revivals usually develop into full-fledged prosperity, but there are exceptions like that of 1895. Prosperity may reach a high pitch as in 1906–1907 and 1916–1917, or may remain moderate until overtaken by a mild crisis as in 1913, or by a severe panic as in 1893.

These differences among business cycles arise from the fact that the business situation at any given moment is the net resultant of a complex of forces among which the rhythm of business activity is only one. Harvest conditions, domestic politics, changes in monetary and banking systems, international relations, the making of war or of peace, the discovery of new industrial methods or resources, and a thousand other matters all affect the prospects of profits favorably or adversely and therefore tend to quicken or to slacken the pace of business. The fact that the rhythm of business activity can be traced in the net resultants produced by these many factors argues that it is one of the most constantly acting, and probably one of the most powerful, factors among them. . . .

Even when the problem is simplified in this way, it remains exceedingly complex. To keep from getting lost in a maze of complications, it is necessary to follow constantly the chief clue to business transactions. Every business establishment is supposed to aim primarily at making money. When the prospects of profits improve, business becomes more active. When these prospects grow darker, business becomes dull. Everything from rainfall to politics which affects business exerts its influence by affecting this crucial factor—the prospects of profits. The profits clue will not only prevent one from going astray, but will also enable one to thread the business maze slowly, if he chooses, taking time to examine all details, or to traverse the maze rapidly with an eye only for the conspicuous features. Needless to say, in this chapter we shall have to move rapidly.

II. Plan of Discussion

Since business cycles run an unceasing round, each cycle growing out of its predecessor and merging into its successor, our analysis can start with any phase of the cycle we choose. With whatever phase of the cycle we start, we shall have to plunge into the middle of things, taking the business situation as it then stands for granted. But once this start has been made, the course of the subsequent discussion is fixed by the succession of phases through which the cycle passes. By following these phases around the full cycle we shall come back to the starting point and end the discussion by accounting for the situation of business which we took for granted at the beginning.

With full liberty of choice, it is well to start with the phase of the cycle through which American business is passing at present—the phase of revival after a depression. The first task will be to see how such a revival gathers momentum and produces prosperity. Then in order will come a discussion of how prosperity produces conditions which lead to crises, how crises run out into depressions, and finally how depressions after a time produce conditions which lead to new revivals.

This whole analysis will be a brief account of

the cycle in general business. But it is important to note that different industries are affected by business cycles in different ways. Some industries, for example, are hit early and hit hard by a decline in business activity, while other industries are affected but slightly. This aspect of the subject has received scant attention from investigators so far, and it cannot be adequately treated until the various industries have collected far more systematic records of their changing fortunes than are now available outside a narrow field. But with the cooperation of trade associations and certain business men we have collected some data that show how important and how promising is further work along similar lines. This material concerning the effect of business cycles upon particular industries will be presented in the next chapter after the cycle in general business has been traced.

III. Revivals and the Cumulation of Prosperity

A period of depression produces after a time certain conditions which favor an increase of business activity. Among these conditions are a level of prices low in comparison with the prices of prosperous times, drastic reductions in the cost of doing business, narrow margins of profit, ample bank reserves, and a conservative policy in capitalizing business enterprises and in granting credits.

These conditions are accompanied sooner or later by an increase in the physical volume of purchases. When a depression begins, business enterprises of most sorts have in stock or on order liberal supplies of merchandise. During the earlier months of dullness they fill such orders as they can get mainly from these supplies already on hand, and in turn they buy or manufacture new supplies but sparingly. Similarly, families and business concerns at the end of a period of prosperity usually have a liberal stock of clothing, household furnishings, and equipment. For a while they buy little except the perishable goods which must be continuously consumed, like food and transportation. But after depression has lasted for months, the semi-durable goods wear out and must be replaced or repaired. As that time comes there is a gradual increase of buying, and as the seller's stocks are gradually reduced, there is also a slow increase of manufacturing.

Experience indicates that, once begun, a recovery of this sort tends to grow cumulatively. An increase in the amount of business that a merchant gets will make him a little readier to renew his shabby equipment and order merchandise in advance of immediate needs. An increase in the number of men employed by factories will lead to larger family purchases and so to more manufacturing. The improving state of trade will produce a more cheerful state of mind among business men, and the more cheerful state of mind will give fresh impetus to the improvement in trade. It is only a question of time when such an increase in the volume of business will turn dullness into activity. Sometimes the change is accelerated by some propitious event arising from other than business sources, for example, good harvests, or is retarded by some influence, such as political uncertainties. Left to itself, the transformation proceeds slowly but surely.

While the price level is often sagging slowly when a revival begins, the cumulative expansion in the physical volume of trade presently stops the fall and starts a rise. For, when enterprises have in sight as much business as they can handle with their existing facilities of standard efficiency, they stand out for higher prices on additional orders. This policy prevails even in the most keenly competitive trades, because additional orders can be executed only by breaking in new hands, starting old machinery, buying new equipment, or making some other change which involves increased expense. The expectation of its coming hastens the advance. Buyers are anxious to secure or to contract for large supplies while the low level of quotations continues, and the first definite signs of an upward trend of quotations brings out a sudden rush of orders.

Like the increase in the physical volume of business, the rise of prices spreads rapidly; for every advance of quotations puts pressure upon someone to recoup himself by making a compensatory advance in the prices of what he has to sell. The resulting changes in prices are far from even, not only as between different commodities, but also as between different parts of the system of prices. In most but not all cases, retail prices lag behind wholesale, the prices of staple consumers' behind the prices of staple producers' goods, and the prices of finished products behind the prices of raw materials. Among raw materials, the prices of mineral products reflect the changed business conditions more regularly than do the prices of raw animal, farm, or forest products. Wages rise sometimes more promptly, but nearly always in less degree than wholesale prices; discount rates rise sometimes more slowly than commodities and sometimes more rapidly; interest rates on long loans move sluggishly in the early stages of revival, while the prices of stocks—particularly of common stocks—generally precede and exceed commodity prices on the rise. The causes of these differences in the promptness and the energy with which various classes of prices respond to the stim-

ulus of business activity are found partly in differences of organization among the markets for commodities, labor, loans, and securities; partly in the technical circumstances affecting the relative demand for and supply of these several classes of goods; and partly in the adjusting of selling prices to changes in the aggregate of buying prices which a business enterprise pays, rather than to changes in the prices of the particular goods bought for resale.

In the great majority of enterprises, larger profits result from these divergent price fluctuations coupled with the greater physical volume of sales. For, while the prices of raw materials and of wares bought for resale usually, and the prices of bank loans often, rise faster than selling prices, the prices of labor lag far behind, and the prices which make up overhead costs are mainly stereotyped for a time by old agreements regarding salaries, leases, and bonds.

This increase of profits, combined with the prevalence of business optimism, leads to a marked expansion of investments. Of course the heavy orders for machinery, the large contracts for new construction, etc., which result, swell still further the physical volume of business and render yet stronger the forces which are driving prices upward.

Indeed, the salient characteristic of this phase of the business cycle is the cumulative working of the various processes which are converting a revival of trade into intense prosperity. Not only does every increase in the physical volume of trade cause other increases, every convert to optimism make new converts, and every advance of prices furnish an incentive for fresh advances, but the growth of trade helps to spread optimism and to raise prices, while optimism and rising prices both support each other and stimulate the growth of trade. Finally, as has just been said, the changes going forward in these three factors swell profits and encourage investments, while high profits and heavy investments react by augmenting trade justifying optimism, and raising prices.

IV. How Prosperity Breeds a Crisis

While the processes just sketched work cumulatively for a time to enhance prosperity, they also cause a slow accumulation of stresses within the balanced system of business—stresses which ultimately undermine the conditions upon which prosperity rests.

Among these stresses is the gradual increase in the costs of doing business. The decline in overhead costs per unit of output ceases when enterprises have once secured all the business they can handle with their standard equipment, and a slow increase of these costs begins when the expiration of old contracts makes necessary renewals at the high rates of interest, rent, and salaries which prevail in prosperity. Meanwhile the operating costs rise at a relatively rapid rate. Equipment which is antiquated and plants which are ill located or otherwise work at some disadvantage are brought again into operation. The price of labor rises, not only because the standard rates of wages go up, but also because of the prevalence of higher pay for overtime. More serious still is the fact that the efficiency of labor declines, because overtime brings weariness, because of the employment of "undesirables," and because crews cannot be driven at top speed when jobs are more numerous than men to fill them. The prices of raw materials continue to rise faster on the average than the selling prices of products. Finally, the numerous small wastes, incident to the conduct of business enterprises, creep up when managers are hurried by a press of orders demanding prompt delivery.

A second stress is the accumulating tension of the investment and money markets. The supply of funds available at the old rates of interest for the purchase of bonds, for lending on mortgages, and the like, fails to keep pace with the rapidly swelling demand. It becomes difficult to negotiate new issues of securities except on onerous terms, and men of affairs complain of the "scarcity of capital." Nor does the supply of bank loans grow fast enough to keep up with the demand. For the supply is limited by the reserves which bankers hold against their expanding liabilities. Full employment and active retail trade cause such a large amount of money to remain suspended in active circulation that the cash left in the banks increases rather slowly, even when the gold supply is rising most rapidly. On the other hand, the demand for bank loans grows not only with the physical volume of trade, but also with the rise of prices, and with the desire of men of affairs to use their own funds for controlling as many business ventures as possible. Moreover, this demand is relatively inelastic, since many borrowers think they can pay high rates of discount for a few months and still make profits on their turnover, and since the corporations which are unwilling to sell long-time bonds at the hard terms which have come to prevail try to raise part of the funds they require by discounting notes running only a few years.

Tension in the bond and money markets is unfavorable to the continuance of prosperity, not only because high rates of interest reduce the prospective margins of profit, but also because they check the expansion in the volume of trade

out of which prosperity developed. Many projected ventures are relinquished or postponed, either because borrowers conclude that the interest would absorb too much of their profits, or because lenders refuse to extend their commitments farther.

The credit expansion, which is one of the most regular concomitants of an intense boom, gives an appearance of enhanced prosperity to business. But this appearance is delusive. For when the industrial army is already working its equipment at full capacity, further borrowings by men who wish to increase their own businesses cannot increase appreciably the total output of goods. The borrowers bid up still higher the prices of commodities and services, and so cause a further expansion in the pecuniary volume of trade. But they produce no corresponding increase in the physical volume of things men can consume. On the contrary, their borrowings augment that mass of debts, many protected by insufficient margins, which at the first breath of suspicion leads to the demands for liquidation presently to be discussed.

The difficulty of financing new projects intensifies the check which one important group of industries has already begun to suffer from an earlier-acting cause. The industries in question are those which produce industrial equipment—tools, machines, plant—and the materials of which this equipment is made, from lumber and cement to copper and steel.

The demand for industrial equipment is partly a replacement demand and partly a demand for betterments and extensions. The replacement demand for equipment doubtless varies with the physical quantity of demand for products; since, as a rule, the more rapidly machines and rolling stock are run, the more rapidly they wear out. The demand for betterments and extensions, on the other hand, varies not with the physical quantity of the products demanded, but with the fluctuations in this quantity. . . .

. . . During depression and early revival the equipment-building trades get little business except what is provided by the replacement demand. When the demand for products has reached the stage where it promises soon to exceed the capacity of existing facilities, however, the equipment trades experience a sudden and intense boom. But their business falls off again before prosperity has reached its maximum, provided the *increase* in the physical quantity of products slackens before it stops. Hence the seeming anomalies pointed out by J. Maurice Clark:

The demand for equipment may decrease . . . even though the demand for the finished product is still growing. The total demand for [equipment] tends to vary more sharply than the demand for finished products. . . . The maximum and minimum points in the demand for [equipment] tend to precede the maximum and minimum points in the demand for the finished products, the effect being that the change may appear to precede its own cause.

When we add to the check in the orders for new equipment arising from any slackening in the increase of demand for products, the further check which arises from stringency in the bond market and the high cost of construction, we have no difficulty in understanding why contracts for this kind of work become less numerous as the climax of prosperity approaches. Then the steel mills, foundries, machine factories, copper smelters, quarries, lumber mills, cement plants, construction companies, general contractors, and the like find their orders for future delivery falling off. While for the present they may be working at high pressure to complete old contracts within the stipulated time, they face a serious restriction of trade in the near future.

The imposing fabric of prosperity is built with a liberal factor of safety; but the larger grows the structure, the more severe become these internal stresses. The only effective means of preventing disaster while continuing to build is to raise selling prices time after time high enough to offset the encroachments of costs upon profits, to cancel the advancing rates of interests, and to keep producers willing to contract for fresh industrial equipment.

But it is impossible to keep selling prices rising for an indefinite time. In default of other checks, the inadequacy of cash reserves would ultimately compel the banks to refuse a further expansion of loans upon any terms. But before this stage has been reached, the rise of prices may be stopped by the consequences of its own inevitable inequalities. These inequalities become more glaring the higher the general level is forced; after a time they threaten serious reduction of profits to certain business enterprises, and the troubles of these victims dissolve that confidence in the security of credits with which the whole towering structure of prosperity has been cemented.

What, then, are the lines of business in which selling prices cannot be raised sufficiently to prevent a reduction of profits. There are certain lines in which selling prices are stereotyped by law, by public commissions, by contracts of long terms,

by custom, or by business policy, and in which no advance, or but meager advances can be made. There are other lines in which prices are always subject to the incalculable chances of the harvests, and in which the market value of all accumulated stocks of materials and finished goods wavers with the crop reports. There are always some lines in which the recent construction of new equipment has increased the capacity for production faster than the demand for their wares has expanded under the repressing influence of the high prices which must be charged to prevent a reduction of profits. The unwillingness of producers to let fresh contracts threatens loss not only to contracting firms of all sorts, but also to all the enterprises from whom they buy materials and supplies. The high rates of interest not only check the current demand for wares of various kinds, but also clog the effort to maintain prices by keeping large stocks of goods off the market until they can be sold to better advantage. Finally, the very success of other enterprises in raising selling prices fast enough to defend their profits aggravates the difficulties of the men who are in trouble; for to the latter every further rise of prices for products which they buy means a further strain upon their already stretched resources.

As prosperity approaches its height, then, a sharp contrast develops between the business prospects of different enterprises. Many, probably the majority, are making more money than at any previous stage of the business cycle. But an important minority, at least, face the prospect of declining profits. The more intense prosperity becomes, the larger grows this threatened group. It is only a question of time when these conditions, bred by prosperity, will force some radical readjustment.

Now such a decline of profits threatens worse consequences than the failure to realize expected dividends, for it arouses doubt concerning the security of outstanding credits. Business credit is based primarily upon the capitalized value of present and prospective profits, and the volume of credits outstanding at the zenith of prosperity is adjusted to the great expectations which prevail when the volume of trade is enormous, when prices are high, and when men of affairs are optimistic. The rise of interest rates has already narrowed the margins of security behind credits by reducing the capitalized value of given profits. When profits themselves begin to waver, the case becomes worse. Cautious creditors fear lest the shrinkage in the market rating of the business enterprises which owe them money will leave no adequate security for repayment; hence they begin to refuse renewals of old loans to the enterprises which cannot stave off a decline of profits, and to press for a settlement of outstanding accounts.

Thus prosperity ultimately brings on conditions which start a liquidation of the huge credits which it has piled up. And in the course of this liquidation, prosperity merges into crisis.

V. Crises

Once begun, the process of liquidation extends very rapidly, partly because most enterprises which are called upon to settle their maturing obligations in turn put similar pressure upon their own debtors, and partly because, despite all efforts to keep secret what is going forward, news presently leaks out and other creditors take alarm.

While this financial readjustment is under way, the problem of making profits on current transactions is subordinated to the more vital problem of maintaining solvency. Business managers concentrate their energies upon providing for their outstanding liabilities and upon nursing their financial resources, instead of upon pushing their sales. In consequence, the volume of new orders falls off rapidly; that is, the factors which were already dimming the prospects of profits in certain lines of business are reinforced and extended. Even when the overwhelming majority of enterprises meet the demand for payment with success, the tenor of business developments undergoes a change. Expansion gives place to contraction, though without a violent wrench. Discount rates rise higher than usual, securities and commodities fall in price, and as old orders are completed, working forces are reduced; but there is no epidemic of bankruptcies, no run upon banks, and no spasmodic interruption of the ordinary business processes.

At the opposite extreme from crises of this mild order stand the crises which degenerate into panics. When the process of liquidation reaches a weak link in the chain of interlocking credits and the bankruptcy of some conspicuous enterprise spreads unreasoning alarm among the business public, then the banks are suddenly forced to meet a double strain—a sharp increase in the demand for loans, and a sharp increase in the demand for repayment of deposits. If the banks prove able to honor both demands without flinching, the alarm quickly subsides. But if, as in 1873, 1893, and 1907, many solvent business men are refused accommodation at any price, and if depositors are refused payment in full, the alarm turns into panic. A restriction of payments by the banks gives rise to a premium upon currency, to the hoarding of

cash, and to the use of various unlawful substitutes for money. A refusal by the banks to expand their loans, still more a policy of contraction, sends interest rates up to three or four times their usual figures, and causes forced suspensions and bankruptcies. Collections fall into arrears, domestic exchange rates are dislocated, workmen are discharged because employers cannot get money for pay-rolls or fear lest they cannot collect pay for goods when delivered, stocks fall to extremely low levels, even the best bonds decline somewhat in price, commodity markets are disorganized by sacrifice sales, and the volume of business is violently contracted.

VI. Depressions

The period of severe financial pressure is often followed by the reopening of numerous enterprises which had been shut for a time. But this prompt revival of activity is partial and short-lived. It is based chiefly upon the finishing of orders received but not completely executed in the preceding period of prosperity, or upon the effort to work up and market large stocks of materials already on hand or contracted for. It comes to an end as this work is gradually finished, because new orders are not forthcoming in sufficient volume to keep the mills and factories busy.

There follows a period during which depression spreads over the whole field of business and grows more severe. Consumers' demand declines in consequence of wholesale discharges of wage-earners, the gradual exhaustion of past savings, and the reduction of other classes of family incomes. With consumers' demand falls the business demand for raw materials, current supplies, and equipment used in making consumers' goods. Still more severe is the shrinkage of producers' demand for construction work of all kinds, since few individuals or enterprises care to sink money in new business ventures so long as trade remains depressed and the price level is declining. The contraction in the physical volume of business which results from these several shrinkages in demand is cumulative, since every reduction of employment causes a reduction of consumers' demand, and every decline in consumers' demand depresses current business demand and discourages investment, thereby causing further discharges of employees and reducing consumers' demand once more.

With the contraction in the physical volume of trade goes a fall of prices; for, when current orders are insufficient to employ the existing industrial equipment, competition for what business is to be had becomes keener. This decline spreads through the regular commercial channels which connect one enterprise with another, and is cumulative, since every reduction in price facilitates, if it does not force, reductions in other prices, and the latter reductions react in their turn to cause fresh reductions at the starting point.

As the rise of prices which accompanies revival, so the fall which accompanies depression is characterized by market differences in degree. Wholesale prices usually fall faster than retail, the prices of producers' goods faster than those of consumer's goods, and the prices of raw materials faster than those of manufactured products. The prices of raw mineral products follow a more regular course than those of raw forest, farm, or animal products. As compared with the general index numbers of commodity prices at wholesale, index numbers of wages and interest on long-time loans decline in less degree, while index numbers of discount rates and of stocks decline in greater degree. The only important group of prices to rise in the face of depression is that of high-grade bonds.

Of course, the contraction in the physical volume of trade and the fall of prices reduce the margin of present and prospective profits, spread discouragement among business men, and check enterprise. But they also set in motion certain processes of readjustment by which depression is gradually overcome.

The operating costs of doing business are reduced by the rapid fall in the prices of raw materials and of bank loans, by the increase in the efficiency of labor which comes when employment is scarce and men are anxious to hold their jobs, by closer economy on the part of managers, and by the adoption of improved methods. Overhead costs, also, are reduced by reorganizing enterprises which have actually become or which threaten to become insolvent, by the sale of other enterprises at low figures, by reduction of rentals and refunding of loans, by charging off bad debts and writing down depreciated properties, and by admitting that a recapitalization of business enterprises—corresponding to the lower prices of stocks—has been effected on the basis of lower profits.

While these reductions in costs are still being made, the demand for goods ceases to shrink and begins slowly to expand—a change which usually comes after one or two years of depression. Accumulated stocks left over from prosperity are gradually exhausted, and current consumption requires current production. Clothing, furniture, machinery, and other moderately durable articles which have been used as long as possible are finally discarded and replaced. Population continues to

increase at a fairly uniform rate; the new mouths must be fed and new backs clothed. New tastes appear among consumers and new methods among producers, giving rise to demand for novel products. Most important of all, the investment demand for industrial equipment revives; for, though saving slackens it does not cease, with the cessation of foreclosure sales and corporate reorganizations the opportunities to buy into old enterprises at bargain prices become fewer, capitalists become less timid as the crisis recedes into the past, the low rates of interest on long-term bonds encourage borrowing, the accumulated technical improvements of several years may be utilized, and contracts can be let on most favorable conditions as to cost and prompt execution.

Once these various forces have set the physical volume of trade to expanding again, the increase proves cumulative, though for a time the pace of growth is kept slow by the continued sagging of prices. But while the latter maintains the pressure upon business men and prevents the increased volume of orders from producing a rapid rise of profits, still business prospects become gradually brighter. Old debts have been paid, accumulated stocks of commodities have been absorbed, weak enterprises have been reorganized, the banks are strong—all the clouds upon the financial horizon have disappeared. Everything is ready for a revival of activity, which will begin whenever some fortunate circumstance gives a sudden fillip to demand, or, in the absence of such an event, when the slow growth of the volume of business has filled order books and paved the way for a new rise of prices.

Such is the stage of the business cycle with which the analysis began, and, having accounted for its own beginning, the analysis ends.

THE AMERICAN SCENE

EDWIN F. GAY

THE CONFERENCE ON UNEMPLOYMENT, called by the President in 1921 when the country was assailed by a sharp postwar depression, gave rise to three national surveys which afford considerable information about the economic conditions out of which grew the great depression of the nineteen thirties. Mention has already been made of the fate of the study of unemployment and the business cycle that was made by the committee appointed by the Conference. The committee's survey of seasonal operations in the construction industry was limited in scope. The third survey, *Recent Economic Changes* (1929), described in elaborate detail the economic institutions of the America of the Golden Age.

With the information of the experts to guide it, the committee (headed by Herbert Hoover, then Secretary of Commerce, and numbering representatives of industry and labor among its members) proceeded to interpretation. It is the scale and above all the tempo of change that makes the new era distinctive. But the period 1922–29 has been marked not only by unexampled activity but also by lags in certain areas, such as cotton and woolen textiles, coal and staple agriculture. Prices have been stable on the whole, so that the cost of living rose less than wages, thereby assuring the United States of progressively increasing standards of living. At the same time, productivity in both industry and agriculture achieved new heights. With the advance in productivity and real wages, consumption has leaped ahead, justifying the ancient prediction that man's wants and, by implication, the economic machine that existed to satisfy them were capable of indefinite expansion. Food, clothing and shelter have taken a relatively small part of that increase, however; the American people spend a decreasing part of their income on fundamental necessities. Their expenditures have turned to relative luxuries, more attractive clothes, more palatable food, durable consumer goods like radios and automobiles and, finally, to an increasing degree of leisure. As the trends of consumption have altered, the service trades have expanded, absorbing some of the employment slack left by technological advance.

Yet, despite great natural resources and the vast opportunities latent in the development of existing industries and the growth of harmonious cooperation among all groups in the nation, the United States must accept and apply the principle of equilibrium. Consequently, the President's Committee warns of the danger in wasted natural resources, the disregard of the common interest by management and labor, selfish pricing policies, and the transfer of money from production to speculation. In the years between 1922 and 1927–28, equilibrium has been well maintained: industrial peace has saved our energies; savings have not, until recently, been diverted to speculation; while study and advertising have helped produce a better balance between production and consumption.

Even in the optimistic conclusions of the committee, some misgivings may be seen. The growth of unemployment in time of prosperity is admitted, with the assurance, however, that leisure and the service trades will absorb it in time. The plight of agriculture is described. There are inadequacies in the banking mechanism. But the Committee posted no warnings and flew no danger signals.

For Edwin F. Gay (1867–1946), professor of economic history at Harvard and director of

the research staff which made the studies that constitute *Recent Economic Changes*, the prosperity of the nineteen twenties was not an entirely new phenomenon, however startling it might appear to European observers of the American scene. These observers do not agree about what they see or the reasons for it, but they do not differ about the factors controlling recent American experience: the United States is in possession of the natural resources most needed for industrial development, while her labor supply is still relatively small. Hence, a mobility which promotes optimism, high wages, and a great expansion of mechanization to economize labor and lower the cost of payrolls. Resources, labor, and machinery must be used to supply a large market. The market which the United States offers is huge in area and free of local barriers. High wages, complex machinery, and a broad market have offered a challenge to management. That challenge has been met by the development of business as a profession on the one hand and "welfare capitalism" on the other. And, on all levels of American life, there prevails an energetic hopefulness rather startling to Europeans conditioned to a society whose hierarchical patterns have not yet been completely shattered.

None of these factors is novel to the student of American history, Gay observes. Labor has always been scarce, management has long been ingenious, and Americans have been optimistic, energetic, adaptable, and inventive since the first European traveler discovered them. Nor is the present period of advance a novelty. Gay points to the flourishing decade between 1825 and the crisis of 1837; the years following the discovery of gold in California; the recovery after the depression of 1873–1879, when prosperity reigned from 1879 to 1893, broken only by the minor crises of 1883 and 1886; the years between the Spanish-American War and the crisis of 1907; and even the long economic calm between that date and the first World War. Each of those periods was marked by technological advance, the rise of real wages, and changes in the organization of business as well as in the technical methods of industry.

It is not in those respects that the prosperity of the nineteen twenties differs from that of previous periods. There has been a shift toward stability, Gay finds; an increasing reluctance to accept the "rough dislocations" of change; a rising social responsibility; a diffusion of investment into groups which had never before owned securities. Novel, too, are the lack of popular resentment of corporate growth and an "open-mindedness of the public" which has not troubled this period with anything like Jacksonian democracy, Populism, or the "reform" movements of the years preceding the first World War.

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Recent Economic Changes

BY EDWIN F. GAY

INTRODUCTION

THERE IS a measure of truth in the statement that the perspective of distance is analogous to that of time. The foreign observer imports his own preconceptions, and from the nature of his situation is likely to be inaccurate as to details, but he sees things in the mass. He generalizes on inadequate data, as must the historian, but it is often instructive to see through his eyes. What to the native is negligible matter of daily use and wont is lifted by the intelligent foreigner to the plane of a national characteristic or an important trend of social development. There have been many such travelers in the United States since the beginning of its history, and diverse have been their observa-

tions, but never has the flow of visitors and comment been so great as in recent years. Inquirers and writers from many countries, official and unofficial, literary folk and technicians, business men and representatives of labor, have come singly and in groups. During the last six or seven years, books, reports and articles, in many languages, describing, explaining or criticizing the economic and social situation in the United States, have appeared in unparalleled quantity. This has been heralded as the new Discovery of America.

Foreign Opinions.—Despite much divergence of opinion among these contemporaneous observers as to causes and conditions, there is marked unanimity as to the fact which is chiefly responsible for this extraordinary interest. They agree that of late there has been an "immense advance in America." [1] Our visitors are "impressed, everywhere and every day, by the evidences of an ebullient prosperity and a confidence in the future." [2] Even a skeptical Australian journalist who begins by doubting the very fact for which all other visitors are seeking the cause, namely the existence of high wages in the United States, ends by saying that "America has been experiencing a period of unusual industrial prosperity. Millions of people have found their earnings increasing at a more rapid rate than their standard of living." [3] The critical German trade-unionists, in their careful report, believe that American prosperity has within it the seeds of its later undoing, but they bear witness to the high earnings and effectiveness of the American worker, his mobility and freedom from class antagonism, and above all to the prevalent well-being and optimism of Americans in general.[4] A German industrialist declares that, with an economic supremacy characterized by high wages and machine progress, the United States has become "the first power of the world." [5]

The consensus of foreign opinion concerning the present great American prosperity is evident to any student of this recent literature. But, though it might be interesting, it would certainly be a difficult and a time-consuming task to trace all the divergences of point of view and the differing degrees of emphasis as to the causes of that prosperity. Some of the travelers have returned home to spread the gospel of mass production, of automatic machinery and conveyers. But *Fordismus* and *Rationalisierung*, the slogans of these evangelists, have also been acrimoniously criticised. Ramsay Muir asserts, indeed, that "the methods of mass-production have not been introduced, and cannot be introduced, in the greater part even of American industry," but he elsewhere lays stress upon the factors of great natural resources and a great domestic free-trade market which have made mass production possible for the United States. England, by contrast, lives "by supplying the needs of world-wide markets, infinitely variegated," and must therefore make quality, not quantity, its aim.[6] Dr. Heinrich Ludwig complains that his German compatriots have, since the war, studied American industry too superficially. Ford, he declares, is not typical of the new management methods in the United States, and scientific management (*Rationalisierung*) has been misconceived in Europe as concerned primarily with mechanical equipment. It is not American technique but American psychology which should be studied. Its chief characteristics, he asserts, are optimism tempered by statistics and experiment; its aim is stabilization; the secret of American success is its study of the market.[7]

America has become the arsenal whence weapons are drawn for both sides of embittered argument. It is, for instance, to some European protectionists a demonstration of the benefits of a high protective tariff; to other writers it is a proof in its free-trade continental market of the correctness of the commercial principles urged by the *laissez-faire* economists; [8] and it is also a reinforcing support to the advocates of a European *Zoll-Verein*. Its high wages are both the cause and the result of its prosperity.[9] The labor situation of the United States, so puzzling to the foreign workers who are surprised at the friendly working spirit in American labor-relations,[10] furnishes grounds both for attack and defense in respect to trade-union policy. Some observers emphasize American individualism,[11] others our spirit of co-operation,

[1] Sir Josiah Stamp, *Some Economic Factors in Modern Life*, 1929, p. 121.
[2] Ramsay Muir, *American the Golden*, 1927, p. 1.
[3] H. G. Adam, *An Australian Looks at America*, 1928, pp. 35, 116.
[4] *Amerikareise deutscher Gewerkschaftsführer*, 1926, pp. 29, 48, 95, 193, 198.
[5] Carl Köttgen, *Das Wirtschaftliche Amerika*, 3rd edition, 1926, p. iii.
[6] Ramsay Muir, *op. cit.*, pp. 73–76, 137.
[7] Heinrich Ludwig, *Systematische Wirtschaft, Amerikanische Methoden, Deutsche Verhältnisse*, 1928, *passim*.
[8] Yves-Guyot, "Les États-Unis d'aujourd'hui," *Journal des Economistes*, Vol. 87 (1927), p. 15.
[9] Exponents, illustrating these contrasting views in the German pamphlet-war, are Tarnow, President of the German Woodworkers' Union, and the *Vereinigung der deutschen Arbeitgeberverbände*.
[10] See the Daily Mail Trade Union Mission to the United States, 1927.
[11] British Official Report, 1927, p. 15.

our "unconscious socialism," [12] while one economist shrewdly remarks that the pioneer's struggle with the wilderness simultaneously developed both of these apparently incompatible traits.[13] We are assured that America is a land of contrasts, with great diversity of regions and races, and also that it is the home of a nation remarkable for its uniformity of tastes and its passion for standardization. Its people are massed increasingly in monotonous repetitive machine-labor; yet they show high intelligence and mobility in a free field for ambition. The condition of the farmer in the United States is called by Ramsay Muir one of the "spots on the sun" of the American heaven, and he thinks that in American agriculture, "there seems to be an arrest of development." [14] But a German writer, not less observant, works out a coefficient of welfare higher for the United States than for Germany on the basis of the fact that while in Germany 43.3 per cent of the gainfully employed are required to feed its population, in the United States 29 per cent suffices to perform the same service. The agricultural production per man in the United States, he states, is 2.46 times greater than in Germany. Not counting tractors and other agricultural machinery which have brought such an accession of power and wealth-production to the American farmer, in the item of horses alone he finds the number per agriculturist in the United States to be 3.7 times that of Germany. To him, agricultural America seems "a blessed country." [15]

It is needless to enlarge on the numerous clashes in the testimony of the foreign observers. It is more to the point to indicate that, despite their varying origins and predilections, there is a considerable degree of concurrence, although with differing emphasis, regarding certain main factors in the recent economic and social experience of this country. These factors may here be briefly summarized.

1. The natural resources of the United States are unrivaled, especially those which are fundamental to modern large-scale industrialism. There is not only a continental width of fertile land, but there exist also marvelous deposits of coal, petroleum, iron and other essential minerals. The more critical of the foreign visitors are inclined to stress these bountiful gifts of nature, others weight more heavily the energy and organization which has utilized them.[16]

2. In this vast expanse of territory, historically so recently opened to European migration and settlement, labor is relatively scarce and wages are relatively high. The situation may be tersely stated, that "because American resources are abundant, they are wasted; because American labor is dear, it is economized." [17] In the present undeveloped state of international wage statistics, it is natural that estimates of the higher range of American wages should vary. André Siegfried, in his somewhat impressionistic manner, says they are "often ten times as much as those of even a European," [18] while the more conservative German trade-unionists put the American wage level at about three times that of Germany and real wages two and a half times as high. But the European writers agree that there is in the United States a markedly higher standard of living and that this profoundly influences the American outlook.[19]

3. In consequence of the juxtaposition of rich resources and an inadequate labor supply, there has resulted a progressive development of labor-supplementing machine equipment, in agriculture, transportation and industry, and also a remarkable utilization of power. To some, this seems to be the chief explanation of the greater productivity of the American wage earner and hence of his higher standard of living.[20]

4. Many observers hold that of even greater importance than the technical progress is the great domestic market, untrammeled by barriers of tariffs, language, or tradition of local or national jealousies. The resulting "mass consumption" makes mass production possible and profitable.

[12] Julius Hirsch, *Das Amerikanische Wirtschaftswunder*, 1926, p. 229.
[13] Carl Köttgen, *op. cit.*, p. 56.
[14] Ramsay Muir, *op. cit.*, pp. 16–19.
[15] Carl Köttgen, *op. cit.*, pp. 9–15.

[16] I quote once more from Ramsay Muir (*op. cit.*, p. 2): Once these resources were developed "by means of man-power drawn from Europe and capital largely drawn from England, nothing could prevent America from becoming the most prosperous country in the world . . . This is the main, and the abiding, cause of American prosperity. It cannot be imitated." Julius Hirsch (*op. cit.*, p. 27), does not hesitate to make a numerical ratio between the factors of nature and organization. He ascribes about two-fifths of the greater American productivity to natural resources and three-fifths to higher efficiency.
[17] L. Chiozza Money, *L'Europe Nouvelle*, 1926, Vol. 9, p. 1528.
[18] André Siegfried, *America Comes of Age*, 1927, p. 160.
[19] *Ibid.*, p. 154. Siegfried asserts that the "enormously higher" standard of living in the United States is "now the chief contrast between the old and new continents."
[20] Cf. *The Economist* (London), Vol. 106, p. 522.

The nation-wide market necessitates expanding agencies of distribution which are highly remunerative to their originators and which absorb a growing proportion of the gainfully employed.[21] The character of the unified American market frequently leads to foreign comment on its surprising uniformity of demand. The American business man, according to a French point of view, "has standardized the individual in order to be better able to standardize manufacture." [22]

5. The problem of correlating abundant resources, expensive labor, and unsurpassed machine equipment, to serve the greatest of markets, has put a high premium on management and organizing capacity. Scientific management in industry and commerce, apparently the resultant of emerging pressures, is thought by many of the foreigners writing on recent economic changes in the United States to be the chief contribution which this country is making to economic welfare and to be the key to its success. It is seen that the American effort is aimed at the "optimum" result, the proper balance of all the many factors in a business enterprise.[23] The preoccupation of the old-time manager with wages has given way to a concern for the manifold elements entering into unit costs. Such far-sighted management is becoming highly specialized; a new profession is entering into the structure of American industry.

6. In order to obtain the effective utilization of the worker's effort and to lower costs, American management has begun more systematically to improve industrial relations. It seeks to reduce the turnover of labor and the friction of labor troubles which disturb the smooth-running mechanism of industry. In a number of the larger concerns departments have been established to study and to deal with this problem, and this new specialization of personnel management has attracted favorable foreign attention. Some observers regard "the achievement of industrial peace between labor, capital and management" [24] as among the leading causes of American prosperity. But even those who speak in cooler tone agree that a great improvement in industrial relations has been effected. It is generally recognized that there has been a voluntary assumption by employers of heavy social charges in the establishment of benefits of various kinds, and there has continued since the war a considerable interest in plans for workers' representation.[25] A corresponding shift in the labor-union attitude has also taken place which differentiates the American labor movement from that found in any other country. The new labor-union policy recognizes not the identity but the mutuality of interest between the two parties to the labor contract. This approach to better understanding on both sides is itself a sign of general change in the temper of the industrial community. The human aspects of the relationships of management not only with labor, but also with customers, competitors, and the public, are more stressed in word and in practice. There is a growing sense of social responsibility.

7. A related factor in American economic efficiency is the openmindedness of American management. Many visitors note with appreciation the freedom of access and information which they have found.[26] "What is raising the whole standard of management in the United States is the habit among employers of discussing their problems openly among themselves, of comparing the methods of one industry with those of another, and of founding associations for research and conference . . . They are not afraid to teach each other or too proud to learn from each other." [27] They are giving increasing support to scientific research and looking with respect upon university training.

8. Emphasis is unanimously laid upon the dominant national trait of optimistic energy, as an underlying element in these various phenomena of American economic activity. The individual in America is mobile as to place and calling; he is moving upward.[28] He sometimes appears docile,

[21] The German trade-unionists remark that advertising, the appropriate tool for modern salesmanship in a wide market, is everywhere, in England, France, Germany and the United States, from 2 per cent to 5 per cent of the total cost of production. The larger absolute amount thus expended in the United States is due merely to the greater size of the market. But the size a uniformity of this market has led in the United States to more highly developed sales policies. (*Amerikareise*, p. 66.)

[22] Pichot and Fournier, "Communication sur le voyage aux États-Unis," *Bulletin de la Chambre de Commerce de Paris*, July 7, 1928.

[23] See especially the remarks of the German trade unionists, *Amerikareise*, p. 49.

[24] P. A. Molteno, "The Causes and Extent of American Prosperity," *Contemporary Review*, August, 1927.

[25] One of the best studies of the subject is H. B. Butler's report on *Industrial Relations in the United States*, International Labor Office, 1927.

[26] See, for instance, A. Detoeuf, "Les conditions de production américaine," *Revue politique et parlementaire*, Vol. 128; Carl Köttgen, *op. cit.*, p. iv.

[27] "American Industry and its Significance," *Round Table* (London), 1926, Vol. 17, pp. 264.

[28] On this point, note especially the testimony of the German trade-union report, which was based upon contact with American workers. *Amerikareise*, p. 95ff.

but it is because he is tolerant of social inconveniences which his experience tells him are only incidental and temporary. The way to education and to promotion is wide open; indeed many ladders to advancement are available and their rungs are all intact, so that he may climb who will. We are told that this is the inheritance of the frontier; in spite of the fact that the agricultural frontier has disappeared, our visitors find still strongly persistent the same characteristic spirit of indomitable hopefulness. . . .

And so, when we look back over a century of our own economic history for analogous periods of fairly continuous advance, without too minute regard for the fluctuations of the business cycles, we find certain groups of years which have points of likeness, and also of unlikeness, to the experience of the United States since 1922. There have been four previous periods of efflorescence. These correspond approximately to increases in contemporaneous economic activity in Western Europe. The first of the four periods of marked acceleration set in about 1825, with the recovery from the great fall of prices which followed the end of the Napoleonic wars, and, although there was one sharp break in 1834, this period of activity culminated in the boom of 1836. Then came the prostrating panic of 1837, the western crisis of 1839, and years of depression. Again, from about 1849 to the panic of 1857, broken by a mild recession in 1854, there were successive years of unprecedented prosperity. Immediately after the Civil War there was a time of hectic prosperity and great speculative activity, but with too many disturbing factors to rank the stretch from 1865 to 1879 among the notable periods. But from 1879, through the "fat eighties," though with recessions, to 1893, we may find a third remarkable forward movement. From 1898 to the crisis of 1907 there was a fourth long run of prosperity. In this case, the period of severe depression following the crisis was remarkably brief, and the country had several years of undramatic fluctuations before the curtain rose for the tragedy of the Great War.

Two of these four major periods, the second and fourth, were accompanied by new gold discoveries and rising price trends; during the first period, from 1825 to 1837, prices were gradually falling, and the third, from 1879 to 1893, experienced a marked and steady drop in prices. All of them show remarkable advances in the exploitation of the national resources, notably land occupation in the first three periods; in the last three, coal, iron and petroleum production at an accelerating rate in a world comparison, gold and silver production at a diminishing rate; in the last two periods the other mineral resources, copper leading, come into greater prominence. With each forward surge the demand for labor has grown and immigration has responded. Despite a migration of colossal proportions, such as the world had never known, the demand for labor was nevertheless maintained. Each period saw an increase in real wages, though more lagging and less pronounced than that which we have recently witnessed. All four periods contributed notable inventions and methods for economizing and supplementing human labor. With developing pressure there was a difference in the main direction of technological advance, earlier toward transportation and horse-driven agricultural machinery, later toward industrial equipment and a great extension in the mastery and use of power. The steady growth of the vast domestic market led in each period to inevitable changes in marketing and credit organization; the "orthodox" system of distribution, with its wholesaler, local jobber, and retailer, was clearly under strain in the second period and beginning to break in the third, while new forms and relationships were being established. Each phase of activity is marked by development of the banking system to meet the demands of rapidly growing industry and commerce; and each concluding phase of crisis, 1837–1839, 1857–1860, 1893–1896, 1907, gave the impulse to banking and monetary reforms. The pressure of expanding markets and of technological opportunity was necessitating even more conspicuous transformations in factory organization and in magnitude of enterprise. These changes, with the exploitation of natural resources on an ever-enlarging scale, called into being successive groups of business leaders, often, at each first break into new fields of opportunity, sharp and unscrupulous, ruthless and daring. Beside the great merchants of the earlier period there swarmed the new growth which Charles Dickens pilloried, but out of their ranks came the outstanding personalities, organizers of industry and finance, the railroad and lumber "barons," the steel "kings," the meat-packing and oil magnates of the third period, and the leadership, more sobered by power and responsibility, of the fourth. Finally, throughout all the four great waves of advance, and even in the troughs between, there has always been felt that upward movement of forceful energy, of optimistic ambition, which our foreign observers have so constantly noted.

So rapid a sketch does but faint justice to the many and complicated aspects of our economic development, and it can only indicate the answer,

if answer be at all possible, to the question of similarity between our present phase and those preceding it. Fuller studies, both qualitative and quantitative not only of business cycles but of longer trends, are required, and there is reason to believe that the interest which these studies are exciting will result in more exact knowledge even of earlier periods where the source material is relatively scanty. But it will serve our present purpose to point out that most of the eight significant features of the existing economic conditions in the United States upon which we have found our foreign visitors in substantial agreement are also characteristic of former major periods of prosperity in our history. The fundamental conditions of our existence on this continent have thus far remained substantially unchanged, and the responses have therefore been similar, not so much in external form as in their essential character. Even the successive maladjustments of economic growth show, behind their external dissimilarities, an underlying likeness. With superabundant natural resources, for example, we have always been open to the charge of wastefulness, and this is easily explicable, but with insufficient man power it seems, at first thought, curious that we are now and have ever been wasteful of human life. That we should permit the rate of accident and crime to remain so much higher than in other civilized nations may spring from the reckless forcefulness with which we have attacked the difficulties of expansion. But there was a sign of change in the fundamental conditions of our national life when there emerged the conservation movement for the natural resources, and the slogan "safety first" for human life. Another serious maladjustment has been constantly observable in the extreme to which we have carried the swings of prosperity and business depression, the fierce bursts of speculative activity and the sharp reactions. Again, our environment and its needs may help to explain this feverish pulse-beat; yet here also another slogan, "stability," may be symptomatic of coming fundamental change. It is, furthermore, highly characteristic of all our periods of expansion that the rapidity and vigor of growth of some elements is so great as seriously to unbalance the whole organism. Each previous phase of prosperity has had its flourishing "new" industries, a different group each time, and each period has seen, or failed to see, other suffering members seeking readjustment or reduced to atrophy. With each successive advance, for instance, there has remained a farm problem and agrarian discontent somewhere in the rear. These rough dislocations in the past have made us exceptionally prone to scrap machinery and men. But quick adaptation and rapid mutation, perhaps biologically useful, our industrial society is now commencing to regard with more social concern.

The shiftings of psychological attitude, here indicated, seems to suggest that something distinctly different from our former experience is taking place. The chief characteristics of the present economic phase, agreed upon by our numerous visitors from abroad, are, it is true, evolved logically from what has preceded, and we are still finding answers along similar lines to a similarly constructed problem. But there seem now to be differences of degree which approach differences in kind. In this sense we may say that the unprecedented utilization of power and its wide dispersion by automobile and tractor, in which this country leads the way, is a new addition of enormous potentiality to our resources. With the general increase of wealth, the growth in the number of millionaires has been accompanied by a remarkable rise in the real wages of industrial workers, and a wide diffusion of investments. The profession of management is clearly emerging, and there is visible an increasing professional spirit in business, which springs from and entails recognized social responsibilities. The "self-policing" of business, with its codes of ethics, has been assisted by the recent development of trade-associations and the increasing influence of research and professional education. The strength and stability of our financial structure, both governmental and commercial, is of modern growth. The great corporate development of business enterprise, well marked in the fourth period of expansion, has gone on to new heights. It may be creating, as some think, a new type of social organization, but in any case the open-mindedness of the public, and of the state which is its instrument, toward this growing power of business corporations appears to be novel in American history.

Here are the beginnings of new answers to the old problem. But more than this. Some of the basic elements of the problem are evidently in process of change. The resources of the country, still enormous, are no longer regarded as limitless; the labor of the world is no longer invited freely to exploit them. The capital flow has turned outward; private and public interests and responsibilities have a new world-wide scope. These changes must have far-reaching consequences and entail further and more perplexing adjustments. . . .

ROBERT S. LYND AND HELEN M. LYND

AS THE DETACHED OBSERVER of his own time, the "Persian" or "Chinese traveler" of the eighteenth century has been succeeded by the cultural anthropologist. One of the great examples of this form of analysis is *Middletown*, the work of Robert S. Lynd (1892–) of Columbia University and his wife, Helen M. Lynd (1896–), of Sarah Lawrence College. The Lynds proceed by regarding an American city as they might a primitive community. How do these people get their living? mate and rear their young? spend their leisure? conduct their religious and associational life? Since an American city is being studied, change is of the essence. Therefore, all these factors must be considered in relation to the city's behavior a generation earlier.

A city in the 25–50,000 population range, with 95 percent of its inhabitants of American origin, was chosen by the Lynds for their inquiry. The city lay in Midwestern America, was the seat of glass and metal works, and depended on outside areas for both raw materials and markets. In 1895, industry had first appeared significantly in Middletown, a community long settled as a country town. Since then, Middletown has become completely subject to the money economy. Social position and social aim are both conditioned by money, which has come to be an impersonal measure of personal worth. This "extraneous" factor dictates the amount of room a family shall have for living, the education of its children, the recreations it enjoys, the beliefs it maintains and even its awareness of belonging to or being alien from the world in which it lives.

The Lynds find that people marry earlier than they did in the nineties, for the relative disappearance of the skilled mechanic makes a youth's earnings equal to a man's. On the other hand, the demands of the machine diminish the demand for workers over forty. Mating remains a matter of "romance," guided by parental conviction that it is as easy to fall in love with the boss's daughter as with his stenographer; and sex separation in society after marriage is almost as rigid in Middletown as in Polynesia. Child-rearing is a female occupation whether in the home or in institutionalized school life: the father provides money and discipline, mother and teacher everything else. Education is a Middletown fetish, not for its content but because it focuses the hope of one group and the sentiment of the other. The Middletown high-school basketball team is regarded with complete seriousness by Middletown's business-class elders; the high school is the center of social life to the young and, to parents of the working class, it represents the gateway of opportunity.

Middletown's adults spend their leisure passively for the most part: they listen to speakers, whom they don't heckle; they read—that is, the women do; they go to the movies or are spectators at sports events. More actively, Middletown adults drive cars and tinker with them; build radios—the radio was still an outlet for craftsmanship in the middle nineteen twenties; play cards, and dance. Casual social contact has all but disappeared. From childhood, social life proceeds on a pair basis; the group friendships of the nineties are gone. Indeed, friendship in general is on the decline. Businessmen have Rotary and similar organizations to give them a sense of "belonging," but the virtual disappearance of the trade unions has closed that satisfaction to the workingman.

In religion, Middletown proves the truth of Tocqueville's misgivings about the power of public opinion in a democracy. All demonstration of loss of faith has disappeared before an indifferent conformity molded, particularly among the business class, by concern for "what people will say." Middletown churches are divided not by doctrine but by economic and social factors. Middletown ministers are so harried by their duties that the old concept of a "learned ministry" no longer exists. In public

esteem, ministers rank with others who train the young and so are not considered fit company for adult men in their hours of leisure. Yet Middletown believes in the mission of Christianity, the literal truth of the Bible, the divinity of Christ, and the reality of Christian eschatology. The hope of Heaven has genuine emotional value for working-class women; women of the business group are more conforming but less fervent. To the man of the business class, Middletown is a vital entity, though he allows it to be corruptly governed. As a community, Middletown is marked by deep social cleavages; its Negroes are segregated; Jews and foreigners are unwelcome; and the business and working classes are hostile to each other.

The Lynds draw no general conclusions from their accumulation of data, except to point out, in every connection, on what a bewildering variety of levels the community contrives to live. From the five hundred odd pages of *Middletown*, emerges the picture of an energetic community, almost wholly inactive on the personal, artistic, and intellectual levels, technically competent and unaware of the social implications of its competence. It moves in an aura of pressures; reads newspapers and magazines owned outside the community; is won by movements like the Klan; and votes Republican because it knows on which side its bread is buttered. The movies swell the demand for luxury; the high school shows the adolescent how money makes the mare go; the automobile divides the family on one hand and unites it on the other. Thus the middle-class America of the nineteen twenties.

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Middletown

BY ROBERT S. LYND AND HELEN M. LYND

Chapter VIII: Why Do They Work so Hard?

One emerges from the offices, stores, and factories of Middletown asking in some bewilderment why all the able-bodied men and many of the women devote their best energies for long hours day after day to this driving activity seemingly so foreign to many of the most powerful impulses of human beings. Is all this expenditure of energy necessary to secure food, clothing, shelter, and other things essential to existence? If not, precisely what over and beyond these subsistence necessaries is Middletown getting out of its work?

For very many of those who get the living for Middletown the amount of robust satisfaction they derive from the actual performance of their specific jobs seems, at best, to be slight. Among the business men the kudos accruing to the eminent in getting a living and to some of their minor associates yields a kind of incidental satisfaction; the successful manufacturer even tends today to supplant in local prestige and authority the judge, preacher, and "professor" of thirty-five to forty years ago. But for the working class both any satisfactions inherent in the actual daily doing of the job and the prestige and kudos of the able worker among his associates would appear to be declining.

The demand of the iron man for swiftness and endurance rather than training and skill have led to the gradual abandonment of the apprentice-master craftsman system; one of the chief characteristics of Middletown life in the nineties, this system is now virtually a thing of the past. The master mechanic was the aristocrat among workmen of 1890—"one of the noblest of God's creatures," as one of them put it. But even in the nineties machinery was beginning to undermine the monopolistic status of his skill; he was beginning to feel the ground shifting under his feet. The State Statistician recorded uneasy protests of men from all over the State. Today all that is left of the four-year apprentice system among 9,000 workers in the manufacturing and mechanical industries is three or four score apprentices scattered through the building and molding trades. "It's 'high speed steel' and specialization and Ford cars that's hit the machinist's union," according to a skilled Middletown worker. "You had to know how to use the old carbon steel to keep it from gettin' hot and spoilin' the edge. But this high speed steel' and this new 'stelite' don't absorb the heat and are harder than carbon steel. You can take a

boy fresh from the farm and in three days he can manage a machine as well as I can, and I've been at it twenty-seven years."

With the passing of apprenticeship the line between skilled and unskilled worker has become so blurred as to be in some shops almost nonexistent. The superintendent of a leading Middletown machine shop says, "Seventy-five per cent. of our force of 800 men can be taken from farm or high school and trained in a week's time." In the glass plant whose shift in processes is noted in Chapter VI, 84 per cent. of the tool-using personnel, exclusive of foremen, require one month or less of training, another 4 per cent. not more than six months, 6 per cent. a year, and the remaining 6 per cent. three years. Foundry workers have not lost to the iron man as heavily as machinists, but even here the trend is marked. In Middletown's leading foundry in the early nineties, 47 per cent. of the workers (including foremen) had three to six years' training. This trained group today is half as great (24 per cent.) and 60 per cent. of all the castings produced are made by a group of newcomers who cast with the help of machines and require only a fortnight or so of training. . . .

The shift from a system in which length of service, craftsmanship, and authority in the shop and social prestige among one's peers tended to go together to one which, in the main, demands little of a worker's personality save rapid, habitual reactions and an ability to submerge himself in the performance of a few routinized easily learned movements seems to have wiped out many of the satisfactions that formerly accompanied the job. Middletown's shops are full of men of whom it may be said that "there isn't 25 per cent. of them paying attention to the job." And as they leave the shop in the evening, "The work of a modern machine-tender leaves nothing tangible at the end of the day's work to which he can point with pride and say, 'I did that—it is the result of my own skill and my own effort.'"

The intangible income accruing to many of the business group derives in part from such new devices as membership in Rotary and other civic clubs, the Chamber of Commerce, Business and Professional Women's Club, and the various professional clubs. But among the working class not only have no such new groups arisen to reward and bolster their work, but the once powerful trade unions have for the most part either disappeared or persist in attenuated form.

By the early nineties Middletown had become "one of the best organized cities in the United States." By 1897, thirty "locals" totaling 3,766 members were affiliated with the A. F. of L. and the city vied with Detroit and other cities as a labor convention city. In 1899 the first chapter of a national women's organization, the Women's Union Labor League, was launched in Middletown. At this time organized labor formed one of the most active coördinating centers in the lives of some thousands of Middletown working class families, touching their getting-a-living, educational, leisure-time, and even in a few cases religious activities. On the getting-a-living sector the unions brought tangible pressure for a weekly pay law, standardized wage scales, factory inspection, safety devices and other things regarded as improvements, and helped in sickness or death, while crowded mass meetings held in the opera house collected large sums for the striking workers in Homestead and elsewhere. A special Workingmen's Library and Reading Room, with a paid librarian and a wide assortment of books, was much frequented. Undoubtedly the religious element in the labor movement of this day was missed by many, but a Middletown old-timer still refers enthusiastically to the Knights of Labor as a "grand organization" with a "fine ritual," and a member of both iron and glass unions during the nineties is emphatic regarding the greater importance of the ceremonial aspects of the unions in those days, particularly when new members were received, as compared with the bald meetings of today. As centers of leisure time the unions ranked among the important social factors in the lives of a large number of workers. . . .

Labor Day, a great day in the nineties, is today barely noticed.

From the end of the nineties such laconic reports as "Strike defeated by use of machinery" mark increasingly the failing status of organized labor in Middletown. According to the secretary of one national union, "the organized labor movement in [Middletown] does not compare with that of 1890 as one to one hundred." The city's civic clubs boast of its being an "open shop town."

The social function of the union has disappeared in this day of movies and automobile, save for sparsely attended dances at Labor Hall. The strong molders' union, e.g., has to compel attendance at its meetings by making attendance at one or the other of the two monthly meetings compulsory under a penalty of a dollar fine. There is no longer a Workingmen's Library or any other educational activity. Multiple lodge memberships, occasional factory "mutual welfare associations," the diffusion of the habit of carrying life insurance, socialized provision of workmen's compensation, and the beginning of the practice in at least three factories of carrying group life-insurance

for all workers, are slowly taking over the insurance function performed by the trade unions. Of the 100 working class families for whom income distribution was secured, only eleven contributed anything to the support of labor unions; amounts contributed ranged from $18.00 to $60.00.

Likewise, public opinion is no longer with organized labor. In the earlier period a prominent Middletown lawyer and the superintendent of schools addressed an open meeting of the Knights of Labor, and the local press commended the "success of the meeting of this flourishing order." When Samuel Gompers came to town in ninety-seven he was dined in the mayor's home before addressing the great crowd at the opera house. The press carried daily items agitating for stricter local enforcement of the weekly pay law, or urging public support of union solicitations for funds for union purposes, or calling speeches at labor mass-meetings "very able and enjoyable addresses." The proceedings of the Glass Workers' Convention in Baltimore in 1890 were reported in full on the first page. Such a note as this was common: "During the last few months there have been organized in this city several trade organizations and labor unions . . . and much good has resulted therefrom." At a grand Farmers and Knights of Labor picnic in 1890, "a perfect jam, notwithstanding the rain," the speaker "ably denounced trusts, Standard Oil, etc.," according to the leading paper. The largest men's clothing firm presented a union with a silk parade-banner costing nearly $100. Today the Middletown press has little that is good to say of organized labor. The pulpit avoids such subjects, particularly in the churches of the business class, and when it speaks it is apt to do so in guarded, equivocal terms. A prevalent attitude among the business class appears in the statement of one of the city's leaders, "Working men don't need unions nowadays. There are no great evils or problems now as there were fifty years ago. We are much more in danger of coddling the working men than abusing them. Working people are just as well off now as they can possibly be except for things which are in the nature of industry and cannot be helped." . . .

For both working and business class no other accompaniment of getting a living approaches in importance the money received for their work. It is more this future, instrumental aspect of work, rather than the intrinsic satisfactions involved, that keeps Middletown working so hard as more and more of the activities of living are coming to be strained through the bars of the dollar sign. Among the business group, such things as one's circle of friends, the kind of car one drives, playing golf, joining Rotary, the church to which one belongs, one's political principles, the social position of one's wife apparently tend to be scrutinized somewhat more than formerly in Middletown for their instrumental bearing upon the main business of getting a living, while, conversely, one's status in these various other activities tends to be much influenced by one's financial position. As vicinage has decreased in its influence upon the ordinary social contacts of this group, there appears to be a constantly closer relation between the solitary factor of financial status and one's social status. A leading citizen presented this matter in a nutshell to a member of the research staff in discussing the almost universal local custom of "placing" new-comers in terms of where they live, how they live, the kind of car they drive, and similar externals: "It's perfectly natural. You see, they know money, and they don't know you."

This dominance of the dollar appears in the apparently growing tendency among younger working class men to swap a problematic future for immediate "big money." Foremen complain that Middletown boys entering the shops today are increasingly less interested in being moved from job to job until they have become all-round skilled workers, but want to stay on one machine and run up their production so that they may quickly reach a maximum wage scale.[1]

The rise of large-scale advertising, popular magazines, movies, radio, and other channels of increased cultural diffusion from without are rapidly changing habits of thought as to what things are essential to living and multiplying optional occasions for spending money.[2] Installment buy-

[1] According to one veteran foundry foreman: "In the old days of the nineties a boy was shaped and trained by his foreman. When he started his apprenticeship for the molder's trade he was lucky to make $3 or $4 a week. At the end of the first year he was making, maybe, a dollar or $1.25 a day; at the end of the second year perhaps $1.50 or $2.00; the third year, $2.25; and then at the end of the fourth year he received his card and $2.75 a day. Meanwhile his foreman had shifted him about from job to job until, when he became a molder and went on a piece-work basis, he knew his job from every angle and could make big money. But the trouble nowadays is that within a year a machine molder may be making as much as a man who has been there fifteen or twenty years. He has his eyes on the money—$40 to $50 a week—and resists the foreman's efforts to put him on bench molding where he would learn the fine points of the molder's trade."

[2] It is perhaps impossible to overestimate the rôle of motion pictures, advertising, and other forms of publicity in this rise in subjective standards. Week after week at the movies people in all walks of life enter,

ing, which turns wishes into horses overnight, and the heavy increase in the number of children receiving higher education, with its occasions for breaking with home traditions, are facilitating this rise to new standards of living. In 1890 Middletown appears to have lived on a series of plateaus as regards standard of living; old citizens say there was more contentment with relative arrival; it was a common thing to hear a remark that so and so "is pretty good for people in our circumstances." Today the edges of the plateaus have been shaved off, and every one lives on a slope from any point of which desirable things belonging to people all the way to the top are in view.

This diffusion of new urgent occasions for spending money in every sector of living is exhibited by such new tools and services commonly used in Middletown today, but either unknown or little used in the nineties, as the following:

In the home—furnace, running hot and cold water, modern sanitation, electric appliances ranging from toasters to washing machines, telephone, refrigeration, green vegetables and fresh fruit all the year round, greater variety of clothing, silk hose and underwear, commercial pressing and cleaning of clothes,[3] commercial laundering or use of expensive electrical equipment in the home,[4] cosmetics, manicuring, and commercial hair-dressing.

In spending leisure time—movies (attendance far more frequent than at earlier occasional "shows"), automobile (gas, tires, depreciation, cost of trips), phonograph, radio, more elaborate children's playthings, more club dues for more members of the family, Y.M.C.A. and Y.W.C.A., more formal dances and banquets, including a highly competitive series of "smartly appointed affairs" by high school clubs;[5] cigarette smoking and expensive cigars.

In education—high school and college (involving longer dependence of children), many new incidental costs such as entrance to constant school athletic contests.

In the face of these rapidly multiplying accessories to living, the "social problem" of "the high cost of living" is apparently envisaged by most people in Middletown as soluble if they can only inch themselves up a notch higher in the amount of money received for their work. Under these circumstances, why shouldn't money be important to people in Middletown? . . .

Money being, then, so crucial, how much money do Middletown people actually receive? The minimum cost of living for a "standard family of five" in Middletown in 1924 was $1,920.87. A complete distribution of the earnings of Middletown is not available. Twelve to 15 per cent. of those getting the city's living reported a large enough income for 1923 to make the filing of a Federal income tax return necessary. Of the 16,000–17,000 people gainfully employed in 1923—including, however, somewhere in the neighborhood of a thousand married women, some of whom undoubtedly made joint returns with their husbands—210 reported net incomes (i.e., minus interest, contributions, etc.) of $5,000 or over, 999 more net incomes less than $5,000 but large enough to be taxable after subtracting allowed exemptions ($1,000 if single, $2,500 if married, and $400 per dependent), while 1,036 more filed returns but were not taxable after subtracting allowed deductions and exemptions. The other 85–88 per cent. of those earning the city's living presumably received either less than $1,000 if single or less than $2,000 if married, or failed to make income tax returns. . . .

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often with an intensity of emotion that is apparently one of the most potent means of reconditioning habits, into the intimacies of Fifth Avenue drawing rooms and English country houses, watching the habitual activities of a different cultural level. The growth of popular magazines and national advertising involves the utilization through the printed page of the most powerful stimuli to action. In place of the relatively mild, scattered, something-for-nothing, sample-free, I-tell-you-this-is-a-good-article copy seen in Middletown a generation ago, advertising is concentrating increasingly upon a type of copy aiming to make the reader emotionally uneasy, to bludgeon him with the fact that decent people don't live the way *he* does: *decent* people ride on balloon tires, have a second bathroom, and so on. This copy points an accusing finger at the stenographer as she reads her *Motion Picture Magazine* and makes her acutely conscious of her unpolished finger nails, or of the worn place in the living room rug, and sends the housewife peering anxiously into the mirror to see if *her* wrinkles look like those that made Mrs. X—— in the ad. "old at thirty-five" because she did not have a Leisure Hour electric washer. . . .

[3] In the Middletown city directory for 1889 there were no dry cleaners and only one dye house. Today a city less than four times the size has twelve dry cleaners and four dye houses. The habit of pressing trousers is said not to have "come in" until about 1895.

[4] The hand-washers of 1890 sold for $7.50–$10.00, while the modern machines cost $60.00 to $200.00.

[5] A dance no longer costs $0.50, as in the nineties, but the members of clubs are assessed about $4.00 for their Christmas dances today. Music used to be a two- or three-piece affair, but now it is an imported orchestra costing from $150 to $300. A boy has to take a girl in a taxi if he does not have the use of the family car. One does not go home after a dance but spends a dollar or so on "eats" afterwards. Expensive favors are given at annual sorority banquets.

A detailed calculation of a cost of living index for Middletown in 1924 on the basis of the cost of living in 1891 reveals an increase of 117 per cent. A comparison of the average yearly earnings of the 100 heads of families in 1924 with available figures for 439 glass, wood, and iron and steel workers in Middletown in 1891 reveals an average of $1,469.61 in the former case and $505.65 in the latter, or an increase of 191 per cent. today.[6] Or if we take the earnings of school teachers as an index, probably conservative, of the trend in earnings, as against this rise of 117 per cent. in the cost of living, it appears that the minimum salary paid to grade school teachers has risen 143 per cent. and the maximum 159 per cent., and the minimum salary paid to high school teachers 134 per cent. and the maximum 250 per cent. The median salary for grade school teachers in 1924 was $1,331.25, with the first and third quartiles at $983.66 and $1,368.00 respectively. The median salary for high school teachers was $1,575.00, with the first and third quartiles at $1,449.43 and $1,705.50 respectively. Substantial increases in the incomes of persons in certain other representative occupations are suggested by the fact that the salary of a bank teller has mounted from $50.00 or $65.00 a month in 1890 to $166.67 a month in 1924, that of an average male clerk in a leading men's clothing store from $12.00 a week in 1890 to $35.00 today; a doctor's fee for a normal delivery with the same amount of accompanying care in both periods has risen from $10.00 to $35.00, and for a house call from $1.00 to $3.00.

Thus this crucial activity of spending one's best energies year in and year out in doing things remote from the immediate concerns of living eventuates apparently in the ability to buy somewhat more than formerly, but both business men and working men seem to be running for dear life in this business of making the money they earn keep pace with the even more rapid growth of their subjective wants. A Rip Van Winkle who fell asleep in the Middletown of 1885 to awake today would marvel at the change as did the French economist Say when he revisited England at the close of the Napoleonic Wars; every one seemed to run intent upon his own business as though fearing to stop lest those behind trample him down. In the quiet county-seat of the middle eighties men lived relatively close to the earth and its products. In less than four decades, business class and working class, bosses and bossed, have been caught up by Industry, this new trait in the city's culture that is shaping the pattern of the whole of living. According to its needs, large numbers of people anxious to get their living are periodically stopped by the recurrent phenomenon of "bad times" when the machines stop running, workers are "laid off" by the hundreds, salesmen sell less, bankers call in loans, "credit freezes," and many Middletown families may take their children from school, move into cheaper homes, cut down on food, and do without many of the countless things they desire.

[6] The 1891 earnings are taken from the *Fourth Biennial Report* for the state in which Middletown is located, dated 1891–2, pp. 57, 130, and 317. This Report gives the average income of 225 Middletown adult male glass workers as $519.49, of sixty-nine wood workers as $432.32, and of 145 iron and steel workers as $519.06—or an average for the entire 439 of $505.65. Too much weight obviously cannot be put upon these 1891 figures, as nothing is known either as to the method of their collection or as to their accuracy.

ANDRÉ SIEGFRIED

Not quite a full century after Tocqueville had made his appraisal of American democracy in its youth, another Frenchman undertook to survey a United States grown mature. Like Tocqueville, André Siegfried (1875–) is amazed, and like him he is afraid for Europe's future. Again, the United States has brought something new into the world and once more Europeans stand in worried fascination before it. This later portent is not fundamentally new, however, but rather an outgrowth of forces latent even in Andrew Jackson's America. Siegfried offers an interesting footnote to many of Tocqueville's observations, particularly as those concern the prospects for liberty in the United States. But where Tocqueville wonders whether liberty can survive democracy, Siegfried wonders whether liberty can endure mass production; for him the threat to freedom lies on the conveyor belt, not in the ballot box.

Siegfried, Alsatian by birth and an economist by profession, had visited the United States frequently before he wrote *America Comes of Age*. He spent the six months before drafting

the book in traveling through the country, not lecturing but listening to Americans. Out of those conversations and excursions, he drew some rather superficial economic and political observations: mass production requires a continental market and so cannot be practiced in France; the Republican party enlists the rich, the rural, and the aggressively respectable, save in South; while the Democrats are dependent on the uncertain turn of events for their votes.

When Siegfried turns to the cultural scene, he is more illuminating, for he speaks as a cultivated continental European. He is aware of the cross-currents of religion and the national tradition which he chooses to label "race." The old Anglo-Saxon Protestant America is feeling the pressure of the polyglot Catholics in her cities. The Ku Klux Klan and Prohibition both may be taken as responses to that stimulus. It has also produced immigration restriction and the odd phenomenon of a democracy in which large numbers have the vote and yet are, in effect, second-class citizens.

Standardized mass production stifles personal development in America; the United States produces things, not people. It is nonsense to assert that the worker, who is subject to the discipline of the machine during working hours, can be creative in his leisure. Profits overshadow liberty of action, as the machine's requirements overshadow those of its servants, and so Americans conform not only to the patterns of economic behavior but also to the resultant patterns of social behavior.

Thus, the individualist Latin—who can be bound by no social unit but the family—confronted by the enormous molding force of the American way of life. It is an ironical fact that within a decade and a half much of the peculiarly independent Latin soul, as exemplified in the political leadership of the Latin nations of Europe, had demonstrated its freedom by embracing fascism or succumbing to it.

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America Comes of Age

BY ANDRÉ SIEGFRIED

CHAPTER IX: THE KU KLUX KLAN

THE Ku Klux Klan is one of those manifestations which rage for a while and then die down and disappear. No one takes them seriously when the crisis is over, but they seem very tragic at the time. Nevertheless they reveal a latent source of trouble which may remain long after the outbreak has passed. The Ku Klux Klan is an extreme form of Protestant nationalism; in fact, we must almost consider it a fever, as otherwise we are apt to exaggerate it during the crisis and to belittle it when the temperature has fallen again.

It is more than a secret society; it is a state of mind. It is more than a whim; it is the revival of a whole series of earlier revolts against immigrants, negroes, Catholics, and "outsiders" generally. This nationalistic chauvinism dates back many years without even a change in its vocabulary. At the end of the eighteenth century we find the public on guard against "un-American" ideas. About 1830, when the Irish immigration began to be important, "native American tickets" grew up spontaneously at the elections, the idea being to keep foreigners out of elective or honorary positions. The "Know Nothing" secret society reached its climax in 1858 during the peaceful German-Irish invasion. By means of pass-words, secret ceremonies, etc., it endeavoured to combat the growing influence of Catholicism, which was making itself felt in the "ignorant foreign vote," as it was called. It is estimated that at its maximum the "Know Nothings" had some 1,250,000 members.

A generation passed, and in 1887 we see the anti-Catholic American Protective Association struggling against the Latin-Slav invasion. A false encyclical was produced to prove that the Pope was claiming the entire American continent on the ground that Christopher Columbus was a Catholic. Protestant America was threatened! The Middle West and the West responded to the appeal of the A.P.A., and many recruits were obtained in Michigan, Ohio, Illinois, Iowa, Missouri, Kansas, and Nebraska. The "Know Nothings" and the A.P.A.

are the forerunners of the present Klan in so far as the latter is directed against Catholics, Jews, and foreigners.

The negro, however, has been the principal objective ever since the Klan was first founded by the Southerners in 1866 at Pulaski, Tenn. The aim of the original Klan, to "maintain the supremacy of the white race in the old slave States," its methods, its hierarchy, and its picturesque language, have all been handed down intact to the present society. When the "carpet-baggers" united with the negroes after the Civil War, the Southerners were able to resist only by outlaw methods. They fought the "impious domination" of the negroes in the name of their own racial superiority, and, as Klansmen, undertook to carry out an unwritten code which they considered to be the only just one. Realizing that anything solemn and mysterious has an immense effect on the ignorant and superstitious negro, they chose as their weapon a secret society, which in any case has a great attraction for the American mind. . . .

Fifty years later, in 1915, it needed only the fear of another crisis for the Klan to be revived at Atlanta, Georgia. It did not attain any importance until 1917 or 1918, when the war-time mob psychology asserted itself in the reappearance of nationalism and xenophobia. This time the movement was founded by William Joseph Simmons —"Colonel" Simmons, rather, as he had been a volunteer in the Spanish-American War. The Colonel is one of the many Protestant lay preachers who were impregnated with a sort of imperialistic mysticism by the War. The secret society which he founded with the time-honoured title of the Ku Klux Klan was "consecrated as Protestant to the teaching of the Christian religion, and pledged as white men to the eternal maintenance of white supremacy."

In the South, circumstances had aroused old fears anew; for many negroes who had joined the army in 1917 had been sent to Europe, where they had often been treated as equals, and even gone about with white women. It was essential to keep them in their place when they returned; so the Klan was to be there just as it had been in the reconstruction days after the Civil War. Also, if alongside the negro, the Catholic foreigner should get out of hand, or the Bolshevik should preach his odious doctrines, the good Protestant citizens would have the Klan with which to keep them in order. In 1919 and 1920, the Klan probably numbered some tens of thousands, and as was the case half a century earlier, its influence took the form of spontaneous interference in the maintenance of order. There were warnings sent to bad citizens, sensational examples calculated to excite the imagination, and threatening notices, not to mention solemn processions.

The Klan's greatest period of expansion was not so much during the War, as while the peace treaties were being drawn up, for it was then that America awoke to the danger of invasion by the lowest element of the Old World. The army had come back rather anti-European in sentiment, and those who had stayed at home were bubbling over with unexpended energy. Furthermore, many demobilized soldiers found their places taken either by a negro or by some uncouth alien, and that alone was enough to excite a feeling of group animosity. "All these foreigners are banded together and organizing, with the Catholic Church in the lead," they grumbled; "we must organize too." It was at this moment that the Ku Klux Klan, which had been suffering somewhat from the blundering administration of Colonel Simmons, was reconstructed according to approved American methods, and the new directorate, in best "booster" style, made a very good thing out of it financially. Under their impulse the character of the Klan changed entirely. It was no longer simply a local southern reaction, but became the chief expression of the national instinct of defence; and accordingly its centre shifted from the South to the West and Southwest. . . .

In the South the K.K.K. reaped the harvest of a soil that had been tilled for two generations. In the Southwest and beyond the Mississippi it touched a different clientele in the small-town Americans, the descendants of the Puritan pioneers who colonized the West in the middle of the nineteenth century. Their orthodox Protestantism and old-fashioned type of Americanism has persisted unchanged beneath an impenetrable veneer of boredom. Nothing can exceed the mediocrity of these small communities, where local public opinion aggressively spies on any one suspected of being different. The Klan was never entirely successful in the big cities with their mixture of races and groups, nor yet in the isolation of the open country, but it absolutely controlled the small towns. An intellectual aristocracy scarcely exists in these shut-in communities, where even the school teacher is held on a tight leash. Society is run by a narrow-minded middle class and inspired by a Protestant clergy to whom the Invisible Empire is not without its attractions. The Baptist minister is usually in sympathy with the Klan and is often appointed Kleagle or local publicity agent. When a hooded band marches mysteriously out to offer a well-filled purse to some worthy preacher, the choice never falls on a Cath-

olic priest or an Anglican clergyman, but always on a Baptist or a Methodist.

It is largely due to the Protestant minister, whose influence has been growing since the War, that the well-meaning but timorous middle class has been awakened to certain fears—the fear of Catholicism, atheism, and evolution; of wine and European immorality; of radicals, Bolshevists, and revolutionaries; of invasion by blacks, yellows, and Latin-Slavs; and of the mongrelizing of the race. . . . Therefore, when the K.K.K. came forward as the champion of national morality in partnership with the Fundamentalists, the Prohibitionists, and the anti-evolutionists (who are really the same people), its authority was very great. With the help of the ministers, whom the Anti-Saloon League has craftily appointed electoral agents, and the "Babbitts," those typical honest business men, the Klan is saving society. New York may laugh, but the local politicians know what they are dealing with; and they are careful to watch their step where the Klan is concerned. This accounts quite naturally for certain manifestations, such as the anti-evolutionist law in Tennessee and the prohibition amendment, not to mention various other laws intended to purify both customs and souls. It is simply a case of threatened Americanism taking refuge in the stronghold of conformity.

It is quite evident where K.K.K. propaganda has succeeded. Sooner or later it was bound to attract the dregs of humanity, for they are always in favour of illegal direct action; and the South in particular seems to have suffered from this abuse. The program of the Klan, however, was able to attract honest men; and the greater part of its personnel was recruited from the middle class. It also thrived exceptionally well wherever the old-time groups remained distinct and strong, as the geography of the Klan shows. It is difficult to map it out accurately, partly because no statistics are possible and also because it changes from month to month. The Invisible Empire has no fixed boundaries but moves like a storm across the country, with the centre of depression changing every moment. Up to 1920 the South was the chief zone affected, but after that the depression moved to the Southwest and West, and extended to Southern California on the one hand, and on the other to the Northwest as far as Oregon. At the same time it spread up the Mississippi Valley and installed itself in full force in the old American districts of Indiana and Ohio. Finally it penetrated to the East, principally to the small non-industrial towns of New York State, Massachusetts, and the northeastern part of Long Island.

This topography shows that the Ku Klux Klan is strong wherever foreigners are not too numerous. It has never been a power in the conglomerate cities of New York and Boston, although in certain places which are reacting violently against foreign infiltration, it has gained great strength. All that is needed to provoke a sudden outbreak is a trivial incident, a scandal over some corrupt party machine run by Irish politicians, excessive zeal on the part of the Catholics, or the arrival of a band of negroes or Jews. In Indiana, for example, the outburst took the form of Americanization by intimidation; and pressure was brought to bear on business, on elected officials, and in fact on people generally. This difference in attitude between the old-fashioned small towns on the one hand and the industrialized city districts with their masses of foreigners on the other is of first importance, and explains much in post-war American politics.

In the South the defence of the white race was the attraction; in the West the bitterness of the Anglo-Saxon Protestants against Rome and European demoralization; and in the Northwest it was hostility toward foreigners, Jew or Catholic, Russian, Irish, or Mediterranean. In every case, however, they aimed chiefly at the Catholic Church. An anti-clerical Frenchman can understand their prejudices, for he realizes that they are less against religion than against the Church as a political institution led by an Italian. A stubborn or ignorant American will never admit that a Catholic can conform entirely to the spirit of the Constitution and at the same time serve the Church, for at any minute he may receive orders from the latter. Experience shows that such instructions have been given, if not by the Pope, at any rate by the priests during elections. This classic objection is specially strong in the United States, because the Roman Catholic Church is suspected of carrying on religious colonization there. What was in France simply a quarrel over doctrines is a rivalry of race in America.

The critical sense is not the most highly developed in America, and this possibly explains the quite improbable rumours that are continually circulating. *The American Standard*, the fortnightly organ of the Ku Klux Klan, provides a choice collection of pearls. Here are a few quotations picked out at random.

In the issue of August, 1925, we read:

"Do you know that Rome looks upon Washington as the future centre of her power and is filling our government departments with Papists? That the hierarchy for many years has been buying strategic sites in our capital? That in our Department of State at Washington, 61 per cent. of the

employés are Roman Catholics? That in our Treasury Department, in which the duty of enforcing prohibition is vested, 70 per cent. of the employés are Roman Catholics?"

Or again, stronger still, in the issue of October 1, 1925:

"We again take the occasion to attack the sinister purposes and persistent efforts of the Roman Catholic hierarchy, to foist upon us the belief that Christopher Columbus was the discoverer of America, and through this fraudulent representation to lay claim to inherent rights which belong solely to Nordic Christian peoples, through the discovery of this continent by Leif Ericson in the year 1000."

A Catholic might reply that there were no Protestants in the year 1000, and therefore Leif Ericson must have been a Catholic himself. But this does not disconcert the *American Standard*, for under date of October 15 we read:

"The servile subject peoples of the Mediterranean have been willing subjects of the Vatican, but the spiritually-minded, chivalrous, and freedom-loving Nordic peoples have always been hostile to Rome."

The American Standard allows itself to be carried away by such exalted idealism; so it winds up by enunciating a program which may be coherent but would certainly be impossible in actual practice:

(1) Laws to require the reading of the Holy Bible in every American public school.

(2) Recognition of the fact that the doctrines taught by monarchical Romanism, and the principles embodied in free republican Americanism, are opposed.

(3) Recognition of the fact that since Roman Catholics give first allegiance to an alien political potentate, their claim to citizenship in this Protestant country is illegitimate.

(4) Revision of our citizenship laws, to wipe out the "alien vote."

(5) A law to destroy the alien influence of the foreign language press by requiring that the English language be used exclusively.

(6) The exclusion from America of the Jews who work against Christianity.

(7) The return of the negroes to their homeland of Africa.

(8) The voting privilege to be restricted to citizens who have spent at least four years in the American public schools.

(9) Strict adherence to the Constitution of the United States, including the prohibition amendment.

(10) The teaching of Christ Jesus, as given in the Holy Bible, the Word of God, as the standard of American conduct in public and private life.

Imperial Wizard Evans, the supreme head of the Klan, boasts that he is "the most average man" in America. In spite of their ridiculous and aggressive form, these ideas are very widespread among the more ignorant Protestants, and will likely survive the secret society which is now expressing them so vigorously. They are an inspiration to the 100 per cent. American, for they represent a tendency in which the Klan is but a picturesque and passing episode. Even the number of members, if it were published, would not tell us much, for the organization is less important than the atmosphere it expresses.

The organization, as such, has declined rapidly since 1923. In 1921, the New York *World* estimated its membership at half a million; in 1922 a Congressional committee of inquiry could not find more than 100,000; in 1923 *The World's Work* suggested the figure of 2,500,000; in 1924 Mecklin, in his excellent book on the Klan, speaks of "millions." Decadence had, however, set in, first in the South and then in the Southwest. In September, 1925, the Klan was still able to fill the streets of Washington with an immense procession; but in February, 1926, an inquiry made by the New York *Times* reveals an absolute rout.

The weakness of the movement lay in the fact that when asked to carry out constructive work, it had always proved incapable. It did succeed in conquering whole States politically, such as Oklahoma and Georgia; but nothing came of it, for as soon as it came out into the open, the secret society lost its force by losing its mystery. The power of the Klan is at its best when pulling wires in the local legislatures or even in Federal politics. In 1924 it controlled at least half the Democrats at the national convention to nominate the presidential candidate, and the Republicans on their side did not dare oppose it. Now, however, the period of intimidation seems to be past, and in a few years the Klan will probably count for very little, although the prejudices it represents will survive. After all, it was a typical post-war movement. Stripped of its violence—the legacy of the South—and of its childish and grandiloquent ritual—the legacy of American Free Masonry—it still stands for a national reaction or the resentment of the old-time Americans against the alien masses.

Chapter X: Native America vs. Alien Ideals

In conclusion let us briefly review the various aspects of the present situation in the United States: the anti-evolutionist campaign, educational

intolerance, prohibition, the restriction of immigration, and the fear of Catholic Europe as expressed in the Ku Klux Klan. They all spring from the same origin and can be summed up in the formula, "America for Regular Americans." At the moment American nationalism is taking the form of a cult of the native-born, but will this last?

In the nineteenth century the new continent gladly threw open its doors to the oppressed of the world. In the United States any one could find a new fatherland and the right to call himself an American. This is now giving way to a contrary conception, according to which the country must mould its future from the one race with which its religion, moral code, and exclusive traditions are associated. The purists, who guard all the avenues of approach, contend that the country must no longer be considered as common property; for it really belongs only to those who were born into the original family. It is now a question of birth rather than adaptation.

This is the latest theory, but in practice the way had long been prepared for it by the people themselves. As always in the past, the Protestant of Anglo-Saxon stock considers himself a member of an aristocracy endowed with special privileges. In spite of the Constitution there has never been complete moral and social equality between those who were and those who were not born in the country —we might almost say between the first- and second-class citizens. Naturally this depended on the time required for assimilation and the inferiority of the newcomer in comparison with the original inhabitant. The immigrant who stammers broken English, or possibly does not speak it at all, and is unable to break away from his own peculiar habits, naturally thinks and feels different. He is bound to be regarded with suspicion by the "100 percenter" who is certain of his heredity and proud of his standard of living—so sure, indeed, of his moral superiority that he dares, according to Imperial Wizard Evans, "look God straight in the face." As assimilation gradually takes place, the distance between the two types is reduced, but any peculiarity on the part of the newcomer is unconsciously judged by the American as a sign of inferiority.

This is not to be wondered at, if we recollect that Europe has not been sending the best of her citizens across the Atlantic, during the past century at any rate. To an American child an Italian is a pedlar, a Greek, a bootblack or cheap restaurant-keeper, and a Frenchman a low-class barber. It never occurs to him that other Italians and Frenchmen exist in France and Italy who are gentlemen and much more cultured than he is himself. Wise parents send their children to Europe to learn these things, but the contempt of those who have never travelled is almost unfathomable. They regard the people of the Old World as immoral and degenerate, ignorant of the most elementary rules of hygiene, dominated by a fanatic priesthood, perpetually menaced by anarchy and revolution, likely to die of hunger—this sounds like an exaggeration, but it is perfectly true!

The result of this attitude is distinctive treatment for the immigrant, and in point of fact, justice for the alien is not the same as for the real American. In all honesty a judge will believe an American witness rather than a foreigner; a doubtful case would probably go against an Italian, a Russian, or a Greek; and of course a coloured man takes even greater chances. If some new system of capital punishment were introduced, it would be tried out first on a Chinaman, who had already been found guilty, of course. Such a case actually occurred in Nevada. In every-day private relations the difference between the races is even more marked. In order to prevent foreigners from filtering into the clubs, hotels, and homes of the old residents, a regular system of defence is erected against them. Certain communities of pure British origin, though they are little known to the public, have great social and political authority, simply on account of their unalloyed traditions.

This self-satisfied and ingenuous belief in the inferiority of the rest of the world does not arise from any ill will. The Americans are a kindly people, but they cannot understand why others do not adopt their way of thinking and acting, with enthusiasm and gratitude. The superiority of their civilization seems so obvious to them that to question it seems as futile as denying the existence of the sun. . . .

Their idea of Americanization is to adopt Anglo-Saxon moral, social, and religious principles. In the nineteenth century they thought that the Italian, Russian, and German immigrants would turn out to be men like themselves. It was not so much a matter of fusion, or of mixing several elements to produce a new compound, but rather the digestion by one race of all the others, until none of their individuality survived. However, when the assimilators began to see that the character of the American people was changing and that the pretended assimilation often meant only fusion or a juxtaposition, their attitude of welcome turned into hostility and exclusiveness.

They had, however, already allowed sufficient foreigners to penetrate to evolve a new American spirit in opposition to their own. As the aliens ar-

rived in greater numbers some of them gradually began to reject the verdict that they were inferior on account of their origin, though they were just as eager to become Americans as the rest. Naturally the temperament of the Anglo-Saxon was bound to succeed better in a society based on cooperation, but the unqualified statement that the Nordic races are superior contradicts every experience. Without generalizing, one may say that when you notice a sparkling eye or a nimble mind it is often in an Italian, a Jew, or a Russian. Like uncut jewels, they had come from Europe with their traditions of brilliant civilizations, which they were asked to abandon at one fell swoop. Many, especially among the intellectuals, deliberately refused. The American-Italian who writes English with a Mediterranean flourish, the American Jew with his centuries of accumulated knowledge, and even the negro, whose music and dancing have added to the artistic patrimony of the whole human race, have all contributed to American civilization; and when they enroll themselves in the movement they insist that they should be received just as they are and with all the honours of war.

Obviously this Americanization is entirely different from what was planned by the assimilators. It is the kind of Americanization that Israel Zangwill, the Jewish writer who popularized the metaphor of the melting pot, deals with in semi-religious vein: "America is God's crucible, the great melting pot where all the races of Europe are melting and re-forming. . . . The real American has not yet arrived. He is only in the crucible. I tell you—he will be the fusion of all races, perhaps the coming superman." The Catholics cherish this idea when they maintain in all sincerity that there is no need for them to sacrifice their religion in order to become Americans. Waldo Frank makes a magnificent defence of this conception in *Our America*, when he demands the right for all to collaborate in building the America of the future.

We must not underestimate the prestige and strength of this ideal, for like other types of Americanization, it attracts both firm believers and mystics. Countless immigrants have left the Old World, inspired by the liberty that they were to find in the New; and in their passionate desire for regeneration they have gladly transformed themselves, in the belief that they were contributing to the formation of a new nation. They were filled with admiration and gratitude for their adopted country, and this very faith in a land which could revive the weary by the breath of its independence was the strongest cement of the Union. Now when the "100 percenters" maintain that the true American is not of the future but of the past, and that he alone is of the privileged few who can claim founders' rights, then the newcomer no longer recognizes the ideals of which he had dreamed.

Is it possible to contemplate a United States that is neither Protestant nor Anglo-Saxon? This is the aim of an opposition which, however, is not constructive and resists only by instinct. And yet they persist. If their policy were to become constructive and they obtained control, we might have a new America resembling in many ways the New York of today; but to the old Puritan element it would seem a shocking perversion. The final destiny of the country is still in suspense, and it is unable to foretell what tomorrow will be its very soul.

AMERICAN PROBLEMS

THE WORKERS OF AMERICA

ROBERT W. DUNN

IF AMERICAN WORKERS shared in the prosperity of the nineteen twenties, it was only in limited degree the result of pressure from labor organizations. The first years of the postwar decade saw a vigorous and successful drive against unionism. The steel workers who rebelled against the twelve-hour day in 1919 were completely defeated; injunctions sent the railway shopmen back to work and broke the coal miners' strike in 1920; by the middle nineteen twenties, labor was weaker than it had been before the war. It lost the entire brewery industry when prohibition ended legal brewing. Unionism declined in the metal trades; disappeared in textiles; and made no incursions into automobiles, food, or steel. The new industrial force represented by women and Negroes remained untouched.

Labor had suffered from internal divisions over socialism and communism. It had been unable to check the determined antiunion drive of organized industry. Significantly enough, the A. F. of L. had failed to reckon with the nature of modern industry. The measure of its leadership may be taken from the fact that though Samuel Gompers was a cigarmaker by trade and had helped make his union effective in its own field, the tobacco industry remained unorganized and the cigarmakers themselves were unable to meet the challenge of the introduction of machinery into their own craft. The A. F. of L. endorsed Gompers's hard-bitten refusal to adopt any consistent attitude toward industry as a whole. It confined itself to its own task, securing more wages for the craftsmen who were protected in their skills by the failure of employers to introduce machinery. More and more, the Federation tended to be guided by a self-perpetuating leadership whose utterances—and practices—were not much above the level of the business and political worlds of the nineteen twenties.

Hand in hand with the A. F. of L.'s complete misreading of the trends of American industry, went the skilful so-called welfare offensive of the great American corporations. These established employee-representation plans; set up company unions; provided pensions; and engaged in other types of welfare activities. So successful were they that the great masses of the American workers remained unorganized; and, in fact, company unionism was not terminated until the Wagner National Labor Relations Act of 1935 discouraged it by law.

Robert W. Dunn (1895–) describes the welfare programs of corporations in the selection here reprinted. It appeared in J. B. S. Hardman, ed., *American Labor Dynamics* (New York, 1928) and is published by permission of Harcourt, Brace and Company.

The Industrial Welfare Offensive

BY ROBERT W. DUNN

1. TYPES OF WELFARE PRACTICES AND THEIR PURPOSE

EMPLOYERS in the United States have learned a good deal during and since the World War. A number of them, from among the largest, have come to the realization that pre-war "rough stuff" does not always pay under the new dispensation. They have been converted to the view that the open shop can be preserved and its blessings real-

ized more effectively in the long run by cultivating the workers as individuals than by frontal attacks upon their unions.

Whatever the outward claims made by the advocates and promoters of the personnel policies in establishing their various plans, often at not insignificant expense to the corporations, at final count they really are out to fortify the morale and loyalty of the worker to the business enterprise which employs him, to make him stay content with things as they are. Definite benefits, such as reduced labor turnover, long service records, devotion to the job, the avoidance of labor troubles, lesser labor costs, as well as a reputation for being an up-to-date and liberal corporation, are the objectives at which the welfare practitioners aim. The expenditures incurred by this kind of labor management are considered a profitable investment, if and when the ends sought are achieved. On the other hand, these "plans" are readily scrapped if they don't deliver the goods. Often the whole practice is discarded in connection with a change of management in the enterprise, as was the case with the American Woolen Company a few years ago.

2. The Scope of the Employers' Offensive

There are no definite and thoroughly reliable available data as to the extent to which the major devices in the welfare offensive have been applied and developed. More is known about the company union variety of welfare offensive often described as the works council, the shop committee, and the industrial council. The number of workers employed in corporations practicing employee representation of one kind or another is probably close to one and a half million. In 1922 the number was below 700,000; in 1919 it was less than 400,000. It is stated that the company unions have gained since 1919 almost as many members as the A. F. of L. unions have lost, which coincidence, however, proves no point, since the two facts are not of necessity correlated. The gains to the company associations, in some cases, have been in industries where the trade unions had displayed rapid mushroom growth during the war. Altogether somewhere between 800 and 1000 firms now operate one kind or another of employee-representation plan in their plants. The spread of the independent association and the committee system was very pronounced on the railroads particularly after the defeat of the shopmen's strike in 1922. More than 60 railroad administrations now cultivate company unions in one or more branches of the service. The four train service brotherhoods are, of course, without exception recognized and have suffered no inroads at the hands of the company associations or bodies of company-trained or -minded workers divorced from the regular bona fide labor unions. Other industries which have been well punctured by the company union are the printing trades, metal trades, electrical industry and various public utilities. In certain sections of the country large groups of workers employed by a number of companies are sometimes lined up in a system of works committees negotiating with the employers' association. The Loyal Legion of Loggers and Lumbermen in the Northwest and the system of committees covering the waterside workers of Seattle are examples of this type.

Next in extent of spread of the devices or weapons in the arsenal of welfare is employee ownership of corporation securities. The number of firms which have offered stock for sale to their workers has been only roughly estimated by students of the subject. In the course of recent investigations into this subject some 400 firms have been mentioned as offering stock subscription plans to their employees. There are tables showing the *growth* in investments by employees for a number of selected companies. The increase in the number of employee stockholders of 1925 over 1918 is reported as follows by R. S. Binkerd, Vice Chairman, Committee on Public Relations of the Eastern Railroads (*Proceedings of the Academy of Political Science*, Vol. XI, No. 3, April, 1925): railroads 70,262, street railways 15,000, gas, electric light and power companies 75,000, telephone and telegraph 62,649, packers 7,000, ten oil companies 21,153, five iron and steel companies 87,696; or a total increase in seven years in these selected companies of some 340,000 worker stockholders.

Group insurance is another rapidly developing device for fixing the worker's loyalty to a specific plant or company. Its growth may be measured by taking the total amount of the policies outstanding for the seven leading life insurance companies engaged in the business of writing these group policies for industrial concerns. In 1912 the amount of employee group insurance in force through these insurance agencies amounted to a little over $13,000,000. During the next five years this amount grew to over $346,000,000. In 1922 it had reached $1,852,593, 553, a gain of nearly 600% in five years. By 1923 it had grown to $2,396,758,418 and the next year the companies registered $3,099,019,607 worth of this type of insurance on their books. In one company alone there were 540,000 workers' lives insured, with an average protection of $1300 per life.

There has been a similar steady rise in the number of companies using industrial pensions and in the amounts paid out to workers. A recent study by the National Industrial Conference Board estimates that more than $30,000,000 was spent during the year 1925 by American industry for employee pensions. This study covered pension plans conducted by some 245 different companies embracing 2,815,512 workers in practically every industry but notably in railroading, public utilities and metals. Of the companies covered in this survey 164 reported a total of approximately 36,000 pensioners already on their rolls.

Other welfare devices most in practice are mutual benefit associations, company magazines, profit sharing, thrift plans, building and loan groups, sanitation committees, committees on recreation, housing, athletics, country clubs, hospitals, social work, cafeterias, Y.M.C.A. services, service-pin associations, and probably another hundred varieties of uplift activity.

3. What Employers Want the Welfare Offensive For

What specifically does a company hope to gain from the introduction of an employee-representation plan or a company union? The utterances of the employers themselves reveal their objective in establishing the company union. A few sample sentiments are worth quoting. In 1925 an employer's journal, *Factory*, conducted a symposium among business executives on the effectiveness of employee representation from the employers' point of view. One company president in reviewing the progress of the works council in his plants, said:

> Grievances of the personal type such as those having to do with wages, hours of work, working conditions, and so on, have practically ceased. Those that the council now discusses are more likely to do with the tools and machinery of production. . . . That of course suits us perfectly for it means greater production and lower costs.

Another executive, the head of a great steel corporation, answered the questionnaire:

> Grievances, in importance, are rapidly being replaced by constructive operation problems, covering such subjects as increased production, economy, better quality and service.

Still another, the labor manager of an important rubber concern, pointed out the stabilizing effects such a plan has upon the more discontented workers:

> Men who were radicals have been elected to the Goodyear senate or house of representatives and have found out the company's side of their problems with the result that they have become much more reasonable to deal with.

Companies that have tried out the company-union approach to the labor problem express the hope that they will be educational and school the worker in "sound business economics." Others consider the company union the one way of discovering what's on the worker's mind without the use of spies and undercover men. Others, again, talk vaguely of coöperation, mutual understanding, harmony and good will. Quite a number frankly admit that the scheme is nothing but an effective labor-union antidote. . . .

4. Methods and Devices of Welfare Practices

It is impossible to do more than mention in this section a few of the provisions of the various welfare expedients whereby employers secure the objectives above stated. The benefits to be obtained from the plans are all graduated with respect to the length of service with the company. The longer the worker stays, the more he gets out of the plan. Turnover is the major problem to be solved, and all of these devices drive straight in that direction.

Then, too, the management naturally reserves the right to withdraw a pension, an insurance, a stock-ownership or a company-union plan whenever it wishes. *No legal contractual relation is involved even in the case of the pension schemes.* Another corporation taking over the plant, for instance, as Armour and Company, absorbing Morris and Company, leaves the pensioners without any pensions in spite of their long service for the latter company. The courts tell them they have no legal claim upon either company. The workers of the Steelton Steel Company fared the same way when the Bethlehem Steel Company absorbed their plant some years ago.

Finally managements keep a tight hold on the control of their employee-representation plans. On the councils and committees, the representative of the management—often the plant superintendent himself—is, by the constitution, appointed to act as chairman and general director of the "legislative" operations. Holding this strategic position he can always put over what the company considers good business policy. The worker delegate may be ever so zealous in the interest of his constituents but the management holds the gavel and wields it softly but firmly. Under many of the plans the final appellate authority in the settlement of disputes arising in the councils is the President of the company, or as in the case of the

Standard Oil Company of New Jersey, the Board of Directors. Occasionally outside arbitration will be permitted or a reference of the dispute will be made to some official in the national government, say the Secretary of Labor.

5. What Types of Employers Use Welfare?

Our church societies and Christian socialists seem to be impressed with the good men who have applied the welfare treatment to industry. Such men as Dennison, Filene, Hatch, Hapgood, are reputed to be substantial Christian gentlemen. But for one of these modern saints disguised temporarily as *entrepreneurs*, we find, in running our finger down the list, a dozen corporate names which connote anything but peace, good will, and conciliation in industry.

Consider, for example, some of the companies that have embraced employee stock ownership, understanding as they do the psychological effects of a wider distribution of the *feeling* of ownership among the workers. Foremost among these corporations stands the United States Steel Corporation, whose president considers the Golden Rule to be the "panacea for the ills that sometimes appear to the moral, political, social, or economic life." The Interchurch Report on the Steel Strike will illustrate the late Mr. Gary's text. The Goodyear Tire and Rubber Company comes second in the number of employees included under this type of scheme. Its fight on the rubber-workers' unions is continuous and altogether effective. There is also the American Telephone and Telegraph Company, whose kindness towards its workers can be measured by the resolutions to investigate its anti-labor technique introduced at the 1925 convention of the A. F. of L. The Youngstown Sheet and Tube Company, which has made it a policy to fire union men from its premises, has a stock-ownership plan as effective as that of the United States Steel Corporation. The Union Pacific Railroad, one of the hardest of the hard-boiled western roads, which in 1922 broke a strike of shop-craft workers and made all new employees in that department sign yellow-dog contracts, granting check-off privileges to a company union, can be added to the list. The Standard Oil Company and its subsidiaries as well as the Colorado Fuel and Iron Company need no introduction to those who remember the savage attacks they have made on union workers from Bayonne to Pueblo.

Where is the company in the list of employee stock distributors, company-union practitioners, pension providers, and insurance underwriters that will admit a real labor union to its plants, recognize that union, and deal with it through the normal processes of collective bargaining? That question is the touchstone to labor policy, and no person interested in the advance of the American labor movement should fail to apply it when confronted with the salesmanship of welfarism.

The Eastman Kodak Company is another employee stock-ownership company that does not tolerate disturbers and union enthusiasts in its own provincial heaven. Others are the Great Atlantic and Pacific Tea Company, which discharges any man suspected of affiliation with the clerks' union; the American Woolen Company whose labor policy is known to those who followed the textile strikes of 1913 and 1919; the American Sugar Refining Company, client of the Sherman Corporation, industrial spy agents; the Brooklyn Manhattan Transit Company with its yellow-dog contracts and company association; Armour and Company and Swift and Company with their "jungle" full of stool pigeons and strike-breakers; the Pennsylvania Railroad, dean of company-union roads; the Bethlehem Steel Corporation, Mr. Schwab's own principality, the company whose admitted policy it was to sell structural steel only to non-union erectors, and whose president, Mr. Grace, declared he "would not deal with unions, even though they embraced 95% of his employees"; the National City Bank of New York, a leader among the banking fraternity of labor deflators; the Lehigh Valley, another company-union road that introduced employee ownership and company unions partly to offset what it termed "the strong-arm method advocated by the Plumb Plan propagandists"; the Illinois Central, hostile to unions and the leader of many a drive against them; Henry Ford, who is the very soul of welfare as a business proposition; the Pacific Gas and Electric Company, heavy contributor to open-shop slush funds on the west coast; numerous public utility companies presided over by Mr. Samuel Insull of Chicago; the General Electric Company, where they fire men who agitate for the recognition of the electrical workers' union; the Westinghouse Electric and Manufacturing Company, notorious for its employment of thugs and deputies in past strikes; the Republic Iron and Steel Company, and the National Biscuit Company. . . .

7. The Trade Union Facing the Company Union

The trade-union official, faced with a dwindling membership resulting from the employers' schemes, is naturally driven to denounce the whole business of company unionism and welfare. Especially if the introduction of a "plan" leads to a declaration of non-recognition by the company

does the union leader resort to every device of argument. His contentions against the employee-representation plans are well known and often stated. He shows that the company union has no economic strength and no treasury, that individual representatives are responsible to no one unless it be to the company which pays their salary and their expenses, that the representatives may be intimidated or bribed, that the plan is almost always used to discredit and wipe out the real union, that company unions are often propaganda agencies for the employers' reactionary political and social ideals.

Particularly convincing is the contention of the unionist that the management is recognizing "outside" forces, "outside agitators," when he consents to accept instructions, pressure or force from the directors and stockholders of the company. Certainly, most of the directors, and the few controlling stockholders, are not insiders in any true sense of the word. Contrasted with this, the worker is investing his life in the factory. He must be there eight to ten hours a day. Every factor of technique and management affects him immediately and directly. Yet when he asks that his vital interest be represented by a trade-union official of his own choosing who gives his full time to the work, he is told that no outsiders will be admitted. Furthermore, the manager will call in to assist him in such negotiations as he condescends to carry on with his men an expensive staff of talent —lawyers, statisticians, investigators, industrial counsellors, service bureaus, with undercover operatives to spy on the workers, personnel managers. He will hire them with one end in view—to obtain the best possible terms out of such wage bargaining as he may conduct with his company-unionized workers.

These are the arguments of trade unionists and they are sound ones. What then can the union do about it? Can it control the company union? The phrase was used by the President of the A. F. of L. at the last convention: "If representatives of the union control any employee-representation plan offered by employers, it ceases to be a menace." And in the *Federationist* of October, 1925: "Wage-earners will do themselves and industries a great service when they capture company unions and convert them into real trade unions. The machinery of the company union offers a strategic advantage for such tactics. Use that machinery as a basis of a real organization." William Z. Foster of the Trade Union Educational League points out some of the appropriate tactics for capturing company unions by exposing their "hypocritical pretenses" and by "penetrating these organizations by putting up candidates in the shop elections against the recognized company candidates." Implicit in the statements of both these leaders is the major purpose of complete destruction of the company union once the boring from within has been successful. Some idealistic personnel managers have spoken of the compatibility of trade and company unions and the possibility of their functioning in the same plant. But Green and Foster know, as every realistic labor unionist knows, that the two are diametrically opposed in principle and practice and that they represent distinct and conflicting systems of labor relations. They can not grow in the same garden. In the half dozen or so plants where they have succeeded in doing so it has been at the expense of the vitality of the trade union. . . .

But no matter how effective may be the work of trade unions in occasionally capturing a company association, the question may be posed quite frankly: What are the unions doing within their own house to withstand the attacks of the company-made councils? Do they realize how much the employer is stressing factory solidarity as against craft solidarity? Do they realize that this argument sounds persuasive to unskilled workers, with no trade or craft, who work in the increasingly mechanized industry? The manager who is introducing a representation plan—or in fact any other sort of welfare device—talks to the workers in terms of the plant. The trade-union organizer talks to them in terms of craft, using the hoary symbols of a generation ago, about molders and patternmakers and machinists and the dozens of other crafts that are rapidly diminishing in importance, for example, in the automobile industry. Which is likely to catch the workers' ear? The answer is clear in the experience of the unions during the last few years, and in their failure to launch any drives against the big steel, rubber, electric and automobile companies. They are trying to use a wooden plow to cultivate a modern 5000-acre farm. The steel strike of 1919, the railroad strike of 1922, and other great industrial conflicts have demonstrated what antiquated tools the craft unions have become in the business of organizing the big manufacturing and transportation industries. The confusion and disillusion bred by craft-union failure in the worker's mind has made him easy prey for the personnel expert offering salvation in the form of the company union. That confusion and dismay will not be lifted till the unions move toward real amalgamation rather

than general, generous, but meaningless expressions of goodwill toward one another in time of strike.

Not only would a driving program of amalgamation hearten the workers who have been caught temporarily in the net of company-constructed unions. It would also strike at the roots of the whole practice of welfarism as a technique of chloroforming the group consciousness of the workers. It would reveal the true nature of profit-conscious uplift.

When the trade-union leaders begin to talk seriously of amalgamation they may be taken seriously when they lay plans for boring within the company unions. Until then the employing interests can continue their welfarism at top speed. There is no force to challenge their professions and to arrest their processional.

STERLING D. SPERO AND ABRAM L. HARRIS

THE FIRST World War shut off most foreign immigration and so eliminated the chief supply of cheap labor for industry. Factories and mills turned to the country's great labor reserve, then, and the Southern Negro was brought North, frequently as a strikebreaker. As a result, the Negro problem became nationalized, and a new element was added to the many influencing the formation of slums and the movement of population. Southern agricultural interests attempted to retain their Negro labor force—sometimes by violent measures against the labor agents who came South to recruit. Northern towns, crowded and tense with the impact of war, saw race riots and lynchings. In the same period, the Negro's contribution to the arts received new recognition as the "Jazz Age" dawned and white novelists thronged to Harlem for material.

In *The Black Worker*, Sterling D. Spero (1896–) and Abram L. Harris (1899–) are less concerned with the cultural incidence of the Negro's migration than with his economic condition. Their study considers the economic motives prompting migration, the work which followed, and the Negro's economic position after war demand for labor eased off. On the whole, the Negro had taken the place of the newest immigrants: he did the more laborious sorts of work, received the least pay, and suffered the usual disabilities of the marginal laborer. These were increased by the fact of his color and were not mitigated by labor organization. Since the Negro was often an unskilled worker in mass production industries, craft unionism did not touch him. Skilled Negroes were often excluded from unions or thrust into special categories that prevented their working at the more desirable jobs. As a result, Negro organizations had small regard for labor unionism. Their largest concern was with philanthropic activities or the fight for civil rights. Thus, industry's antiunion drive received support from the presence of the large Negro labor reserve—and labor weakened itself by its intolerance toward or, at best, indifference concerning the Negro worker. Only in the nineteen thirties, as a result of C.I.O. activities, were Negroes being welcomed into many trade unions. But civil rights still continued unrealized.

The selection here reprinted is from *The Black Worker* (New York, 1931) and is published by permission of the Columbia University Press.

The Black Worker

BY STERLING D. SPERO AND ABRAM L. HARRIS

Chapter VIII: Tapping the Negro Industrial Reserve

Until the World War, industry outside of the South was manned almost entirely by white workers. A steady flow of immigrants from abroad had furnished employers with a constant supply of cheap labor to meet the needs of industrial expansion. Negro labor, engaged chiefly in agriculture and personal service, was largely disregarded as a source of industrial man power except in such emergencies as acute labor shortages or strikes. Even in the South where the Negro slave had competed successfully with the white man in almost every branch of industry, the tradition of the separation of the races operated after emancipation to check the full and free use of Negro labor in industry. The industrial backwardness of the section made the more extensive use of black labor unnecessary and left the traditional relation between the races undisturbed.

Northern employers drew upon the reserve of Negro farmers and servants to help them break their strikes as long ago as the middle fifties, but it was not until the eighties, when Negro farmers began to find it too difficult to eke a living out of the soil, that the black man went to the cities in large numbers and offered serious competition to white labor. These migrants first settled in the cities of the South. Their further movement northward was determined by opportunity for employment. This opportunity came as a sudden windfall at the opening of the World War.

In 1915–1916, when large numbers of recent immigrants returned to their former homes in response to the call to arms, huge waves of southern Negro labor began pouring into northern industries. Still more of this labor drifted northward under the impetus of the war-time industrial expansion created by the entrance of this country into the conflict. When the war ended foreign immigration was restricted, and the northward trek of Negro labor continued on into 1924.

This mass movement, which reached its height during the war and early post-war years, was but a greatly accelerated phase of the general drift of the Negro population from the country to the cities which had been going on for half a century in increasing volume. The following figures, showing the percentages of Negroes living in rural and urban areas at each census since 1890, indicate the pace of the drift:

Year	*Rural*	*Urban*
1890	80.6	19.4
1900	77.3	22.7
1910	72.6	27.4
1920	66.0	34.0

During the period from 1870 to 1910 the number of southern born Negroes in the North increased at an average of about 67,000 in each ten-year period. Between 1910 and 1920 the net increase was 321,890, more than the aggregate number for the preceding forty years and about five times the average for the preceding ten years.

The migration responsible for this increase began about 1910 and rose to great heights between 1916 and 1919. This wave was followed by a movement of equal, if not greater, proportions, beginning late in 1921 and ending in 1924. An estimate of the United States Department of Labor based on data gathered before this second movement had run its course placed its extent at 478,700. There are no census figures to indicate the net increase in the Negro population of the North and West resulting from these two waves of migration, but an estimate of one million would probably not be far out of the way.

Nearly all the Negroes who left the South found their way to the industrial centers of the North and Middle West. The following table shows the increase in the Negro population of the most important industrial cities of the two sections:

INCREASE IN NEGRO POPULATION IN TEN LEADING INDUSTRIAL CENTERS, 1910–20

City	*1910*	*1920*	*Per Cent Increase*
New York	91,709	152,467	66.3
Chicago	44,103	109,458	148.2
Philadelphia	84,459	134,229	58.9
Detroit	5,741	40,838	611.3
Cleveland	8,448	34,451	307.8
St. Louis	43,690	69,850	58.9
Pittsburgh	25,623	37,725	47.2
Cincinnati	19,639	30,079	53.2
Indianapolis	21,816	34,678	59.0
Kansas City	23,566	30,719	30.4

There are no reliable figures to show the increases in these cities since 1920. There is no doubt that they have been considerable, in some cases greater than the increase for the preceding decade.

A school census taken in Detroit in 1925, after the second migration had ended, placed the Negro population at 81,831, or double the 1920 figure.

The great bulk of these Negroes have found their way into industry. The census records 886,-810 Negroes employed in manufacturing and mechanical industries in 1920 as against 631,280 in 1910, an increase of 40 per cent. At the same time the number of Negroes in industries concerned with transportation increased 22 per cent, and the number employed in the extraction of minerals increased 20 per cent, while the number in the Negro's traditional occupation, domestic and personal service, declined 5.5 per cent. It must not be forgotten, however, that despite the 24.7 per cent decline in the number of Negroes engaged in agriculture and the 5.5 per cent decline in the number in personal and domestic service, these two occupations at the last census still engaged the great bulk of the gainfully employed Negroes—3,301,-150 out of 4,824,151, or 68.75 per cent of the total. Manufacturing, mining, and transportation claimed a total of 1,272,460.

Most of the Negroes who came North went into lower paid work requiring little or no skill or experience. The bulk of them became unskilled or semi-skilled operatives in the steel mills, automobile plants, foundries, and packing houses. Many went to work at road building and other construction jobs. Others, and this includes many women, went into the commercial laundries, food industries, and the less skilled branches of the needle trades. In some cities certain of the specialized sewing trades, for example, the making of lamp shades in Chicago, have come to depend very heavily upon the labor of Negro women. Between 1910 and 1920 the number of Negro women in manufacturing and mechanical industries increased from 67,937 to 104,983, while the number engaged in domestic and personal service declined from 853,387 to 793,631. . . .

Although a large number of these Negroes were employed at semi-skilled labor, the overwhelming majority of them were unskilled. Only a handful were doing really skilled work. The Ford Highland Park plant had only two skilled Negroes out of an estimated 4,000. At the Dodge plant 75 per cent of the Negroes were unskilled, while similar or greater proportions held for the Packard and Hudson plants. It was stated in 1926 that 65 per cent of all the Negroes employed in the city of Detroit were engaged in unskilled work. The remaining 35 per cent included all those engaged in work above the grade of rough manual labor.

This is generally true throughout all industry. In the building trades Negroes constitute but a small percentage of the skilled mechanics. In 1920 they were 3.8 per cent of the carpenters, 8 per cent of the masons, 2.9 per cent of the painters, 5 per cent of the paper hangers, 15.2 per cent of the plasterers, 1.7 per cent of the plumbers, whereas their proportion of the laborers was 21.6 per cent. In the chemical industries in 1920, 23.4 per cent of the unskilled workers were Negroes, while the semi-skilled were only 4.6 per cent Negro. In the cigar and tobacco factories 66.8 per cent of the laborers and only 12.9 per cent of the semi-skilled workers were Negroes.

The jobs into which the Negroes went were usually those which native Americans or Americanized foreign-born white labor did not want.

Race prejudice naturally put difficulties in the way of the Negroes' entrance into industry. White employers sometimes refused to hire them and white employees sometimes refused to work with them. This was particularly true of smaller plants, although some large works like the Wisconsin Steel Company in Chicago, a subsidiary of the International Harvester Company, boast of their all-white character. The reason for this company's refusal to use Negroes when the other plants of the Harvester Company in the Chicago district employ over 2,000 of them is simply that the superintendent does not like them. Often an employer is doubtful of the Negro's ability to do his work or is fearful that his white employees may object to the black worker's presence. There have been instances of white workers objecting so strongly to the use of blacks that they have left their jobs. Between 1880 and 1900 there were thirty strikes reported against the employment of Negro workers, eight in the decade 1880–1890 and twenty-two in the decade 1890–1900. There are no available figures for subsequent years though it is well known that strikes against the Negro have occurred. The East St. Louis riots in 1917 and the Chicago riots two years later, though springing from complicated circumstances, were not without their labor angles.

The intensity of this race feeling was caused largely by heavy importations of Negro labor. Not all of the Negroes who poured into the northern cities between 1916 and 1924 came of their own initiative and found their way into industry by themselves. Thousands were brought up by the labor agents of large employers. An officer of the Illinois Central Railroad told how Negro labor was used to carry out its huge construction program after the war. "We took Negro labor out of the South," he said, "until it hurt." . . .

The chief obstacle to the continued, not to speak of increased, employment of Negro labor

after the employer's initial doubts and fears had been overcome by sheer necessity were difficulties in adjusting the newcomer to his strange industrial environment. The Negro migrant, who was for the most part a southern farm hand, unaccustomed to the discipline of industry, had his difficulties in adjusting himself to his new situation. Even those Negroes who came from southern cities and had had experience in the factories and mills had to make adjustments to the greater exactions and faster pace of northern industry. Employers complained that the Negro was unsteady; that he would lay off after pay day and spend his wages; that he would only stay on a job long enough to get some ready money and would then lay off until the money was spent, after which he would return to work and repeat the performance. Complaints over wage garnishments were frequent, but not more so than in the case of foreign immigrants. Both lacked resources and it is hardly strange that they ran into debt.

All these criticisms diminished as time went on and the Negro workers became accustomed to the discipline of northern industry. . . .

The most distinctive characteristic of the Negro's position in the world of labor is his relegation to occupations in which he does not compete with white workers—in short, the perpetuation of the tradition of black men's and white men's jobs. This tradition is not confined to the South, but extends throughout the country. Pullman porters and dining car waiters are almost invariably black, while railroad conductors, locomotive engineers, subway guards, motormen, sales persons in stores, clerks and white-collar employees of every sort are almost without exception white. Certain of the skilled crafts which Negroes have followed in the South for years are practically barred to the Negro in the North by union regulations or craft tradition where there is no union.

A complicated and inconsistent set of rationalizations has grown up to justify the system. The Negro cannot be a locomotive engineer because he is unfit to be entrusted with lives or property to such an extent. Yet as a slave he ran locomotives in the South and even carried Confederate troops to the front to fight for his enslavement. The Negro cannot be a mechanic because he is naturally incapable of doing skilled work although he followed skilled trades when they required a much higher degree of artisanship and skill than they do in this mechanical age. The Negro cannot be a clerk or white collar worker because these are positions of social dignity which members of an inferior race should not hold. Yet a number of cities and the federal government employ Negroes in all sorts of clerical and administrative posts.

Between 1917 and 1929 the number of Negroes in the public service of the city of New York increased from 247 to 2,275. While this latter figure included 894 laborers and a great many messengers and office boys, it also included police, attendance officers, engineers, clerks, and school teachers. Many Negro teachers in New York and other northern cities teach white children. Between 1910 and 1928 the number of Negroes employed in the federal civil service increased from 22,540 to 51,882, making the United States government by far the largest employer of colored labor in the land. The colored workers on the government's pay roll include in addition to thousands of clerks all sorts of professional, technical, and administrative employees. This growing recognition in the public service is due to the colored citizen's increased political power, a by-product of the northward migration which may in time become a factor of first rate social importance.

All of this shows that the obstacles to Negro employment break down and that the rationalizations which support them go by the board when circumstances make such employment necessary or expedient. Where it is still possible to take advantage of the Negro and pay him less than a white man for the same work or to use him as a tool to keep down labor standards, the practice is followed. But where circumstances make this impossible or inexpedient the Negro receives the same treatment as the white man. Whether the Negro will hold the position in industry which he has won since 1916, whether he will become the victim of new inventions and new methods of production, whether he will withstand or give way under competition of white farmers who move to the towns, or of Mexican, South American, or other immigrants who come into this country, the future alone can tell. All that can be said at present is that the Negro has become an integral part of the labor force in nearly all of the country's basic industries.

Chapter XXI: The Negro Community and the Labor Movement

The change in the Negro's relation to industry during the last decade and a half has been so sudden that neither the black nor the white working world has been able to grasp its significance and adjust itself to its circumstances. The essence of this change has been the shifting of the Negro's position from that of a labor reserve to a regular element in the labor force of nearly every basic industry. It has brought the Negro face to face with problems of working conditions, which,

though they may contain special elements, are essentially the same as the problems of other workers. They are consequently problems with which the Negro cannot cope successfully without the coöperation of his white fellow workers. Yet ever since the rise to power of the American Federation of Labor both sides have raised obstacles to the consummation of such coöperation. Of all these obstacles none probably has been greater than the narrow and exclusive craft structure and opportunist philosophy of American trade unionism. . . .

Although the Negro is but one of the victims of American craft unionism, he is a victim upon whom the burden falls with special weight, for his peculiar situation in American society makes it particularly difficult for him to cross craft barriers. To the white trade unionist the Negro is not merely an outsider trying to get into the union, but a social and racial inferior trying to force the white man to associate with him as an equal. And the Negro knows that the white worker wants to keep him out of the union not merely as a potential competitor but as a member of a race which must not be permitted to rise to the white man's level. For three hundred years the Negro has been kept in a position of social and economic inferiority, and white organized labor, dominated by the hierarchy of the skilled crafts, has no desire to see him emerge from that condition.

The educated leaders of the Negro community see only the racial aspect of this situation. They see that many employers use Negro labor, thereby giving the black man an opportunity to earn a living which the policy of most white trade unionists would deny him. They see white philanthropists and sentimental friends of the black man trying to help him by giving him schools and social-welfare agencies. They are impressed with the stories of the poor folks who become wealthy through thrift and hard work, and with the history of great institutions which sprang from small beginnings. Here, they say, are friends of the Negro who have proved their friendship, and here are ways of success which have been tried and found effective. So the race leaders counsel their people to beware of the white working man and to put their trust in the white upper classes. Labor solidarity to which the white unionist appeals when he needs the black man to serve his selfish ends, or which the radical preaches to increase his tiny following from any possible source is, they say, a very dangerous doctrine. It is far safer to give loyal service to the white man who wants it, and by hard work and saving to amass enough wealth to bring comfort and security.

Negro leadership for the past generation has put its stress on the element of race. Their people's plight, they feel, is the plight of a race. They turn a deaf ear to those who say that the Negro's plight is the plight of the working class in general merely aggravated by certain special features. All of the various schools of Negro thought which have had real influence upon Negro life have had one end in view, the elimination of racial discrimination.

The most intelligent of all this racial leadership, that of the National Association for the Advancement of Colored People, is in this regard fundamentally little different from the rest. It is interested, not mildly but militantly, in civil liberties. It wants to stop lynching and Jim Crowism in all its forms. It demands that the Negro receive decent and equal treatment in all public places and that he be accorded all those constitutional rights, including full suffrage, which certain communities have denied him. If all these disabilities were removed, the N.A.A.C.P., with the exception of a few leaders like Du Bois, would apparently be satisfied with the world as it is. The problems of the Negro worker which are the same as those of the white man are beyond its concern. . . .

Negro administrators of white philanthropy, such as the leaders of the Urban League and the various committees on interracial coöperation scattered throughout the country, have also tried to lift trade-union barriers. They are interested in greater economic opportunity for the colored worker, and they believe that if he can get into the unions he will be able to follow trades which it is almost impossible for him to follow at present. The lifting of trade-union barriers is but one of the methods by which the Urban League and the interracial bodies seek their ends. Their aim is to foster kindly attitudes toward the Negro. Their principal appeal is to employers and the members of the professions. Their efforts to get the Negro into the labor unions have been confined to seeking the coöperation of prominent trade-union officials. Their appeal is an appeal by Negro leaders to the white upper class. It makes no attempt to reach the white or black rank and file.

Historically the most potent influence in the black community has been the evangelical church.

However, the absorption of the Negro into northern industry is gradually shaking the church's hold and a new philosophy, more in keeping with the dominant thought of the white world is rising in its place. Like the philosophy of the militant National Association for the Advancement of Colored People and that of the conciliatory interracial movement, this philosophy is decidedly in-

dividualistic and middle class in outlook. It has its roots in the doctrines of Booker T. Washington and the Hampton and Tuskegee schools, which preach the gospel of salvation through thrift, enterprise, and industrial efficiency. Its flower is the National Negro Business League whose purpose is the encouragement and promotion of business within the race so that eventually an independent petty black capitalism will rise within the limits of white society. . . .

But granted that all seemingly insurmountable difficulties could be overcome it is still hard to see what good this independent economy would do the great majority of Negro workers. The experiences of immigrants working for employers of their own race or nationality would hardly encourage one to believe that Negro workers would receive any more consideration at the hands of Negro employers than at the hands of white. Negro capital at best would offer an escape only to a handful of the abler, shrewder, more enterprising, more unscrupulous, and luckier members of the race. The majority doubtless would still till the soil or work for white employers as they do now.

White capitalists like Rosenwald, Rockefeller, and others, who are the chief supporters of Negro philanthropy, are being implored by the National Negro Business League to underwrite a system of Negro chain stores. The supporters of an independent black economy evidently believe that Negro business enterprise should now take its place alongside of schools, churches, hospitals, day nurseries, Urban Leagues, interracial committees, and Y.M.C.A.'s as a worthy Negro charity. Like the rest, it will strengthen the hold of race separatism and postpone the day of a more thorough understanding between white and black labor.

Such an understanding, in view of both the middle-class and race-conscious attitudes of the Negro leadership and the exclusive craft separatism and job consciousness of the official labor movement, seems remote indeed. The oversanguine radicals see in the Negro's special racial grievances and his new position in industry the nucleus of a discontented mass movement. But they overlook the fact that the unique social position of the Negro plus the white worker's absence of class consciousness lends force to the separatist preachings of the Negro leaders. It should not be forgotten that the Negro has won his place in industry in the branches in which labor organization has little or no hold and where the white worker's opposition to his employment has consequently carried least weight. Race leaders have not failed to point this out and to drive home the moral that after all the employer is the black man's best friend. And the white trade unionist, using the same facts, points out his moral, that the Negro is an irredeemable scab who breaks the white man's strikes and tears down his hard won standards, and that the unions must exclude him lest he play the traitor in their midst.

A labor movement built upon the principle of working class unity would of course take the Negro into its ranks and fight to raise the general standard. Self-protection alone should dictate such a course. But the white worker, sharing the prejudices of the rest of the white world, balks at the bugaboo of "social equality" and persists in relegating the black laborer to a place of permanent inferiority.

But side by side with all these forces are tendencies in other directions which in time may destroy their potency. Most important is the machine, which is rapidly changing the meaning of skill and obliterating old craft lines. The machine, rather than any concept of working-class unity or industrial brotherhood, will compel the official labor movement to change its structure and policy if it is not to generate into a mere social relic. Ultimately this will probably redound to the Negro's benefit, but during transitional stages technical changes which reduce the personnel will hurt him along with other workers. And where, as on the railroads, the white men are organized and the Negro is not, the unions will seek to protect their members by compelling the employers to save their jobs at the expense of the Negro's. . . .

THE FARMER

Of the soft spots in the American economy of the nineteen twenties, none gave intelligent observers more concern than the condition of American agriculture. As a result of European crop failures, price rises, and new markets—particularly the domestic one with the extraordinary increases in immigration and urbanization—American agriculture had recovered from the depression of 1893–1896 and for the next two decades climbed to new heights of prosperity. The fact is, by 1909–1914 (the five years later used as the so-called parity price and income period by the Agricultural Adjustment Administration), farmers were doing

as well as, or better than, other sectors in the American economy. There were boom times for farming in 1915–1920 because of the great increases demanded by wartime requirements. Agriculturists proceeded to mechanize, improve livestock, and open up at least an additional 50,000,000 acres of hitherto uncultivated land to cereal production. All this was accompanied by an unexampled increase not only in prices but in real estate values.

The bubble was pricked in 1920—and while the greater part of the American economy recovered by 1922 and was enjoying the unprecedented prosperity of the golden nineteen twenties, agriculture remained depressed. By 1929, the farmer was worse off than he had been not only ten years earlier but indeed twenty years earlier. Land values dropped sharply, pushing many farmers into bankruptcy. A single statistical fact illustrates the collapse of agriculture: in terms of the ratio between prices received and prices paid the farm dollar in 1932 was worth only 47 cents.

As Louis M. Hacker in his *American Problems of Today* (New York, 1938) tells the story:

> The efficiency of American agriculture was being hampered not only because of declines in gross and relative income. What was more serious was the fact that fixed charges were eating up a larger and larger share of the farmer's earnings so that he was compelled to divert the use of income from the improvement of his techniques to the payment of taxes and interests on mortgages. Total fixed charges absorbed 6 per cent of gross farm income in 1910 and 12 per cent in 1930: this was indeed a heavy price to pay for land ownership.
>
> The inevitable concomitants were foreclosures, sales for tax delinquencies, and a great rise in tenancy. The reasons for agricultural depression were largely to be found in the decline of world and domestic markets and the opening up of new regions of supply. Europe, now occupying a debtor position, was seeking self-sufficiency. Between 1913 and 1932, Europe, Canada, Argentina, and Australia increased their acreage in major food crops more than 16 percent. The domestic situation was even unhappier. To continue quoting from *American Problems of Today:*
>
> The possibilities of increasing domestic consumption of agricultural goods, in order to take in the slack, were remote. The following factors may be noted: 1. Our population growth was slowing down because of immigration restrictions and birth control. 2. The two decades 1910–1930 witnessed a profound change in dietary habits as Americans shifted from a reliance on grains and beef to a greater use of pork, vegetables, fruits, milk and sugar. . . . 3. Women were dieting and thus eating less calories. 4. Improved methods of heating homes and the growing elimination of the need for hard and back-breaking toil also made it possible for men as well as women to dispense with foods with high caloric contents. 5. Cotton was being replaced by rayons and other chemically produced fabrics. 6. Finally, agriculture itself had become more mechanized and efficient, making it possible to produce more goods and fibers for each dollar of labor and capital expended. In fact, between 1919 and 1929, on a stationary cultivated acreage, the output of American farmers increased more than 20 per cent! There was, therefore, a surplus of farmers in the United States.

Stuard Chase (1888–), using in considerable part the agricultural sections of *Recent Economic Changes*, tells of other aspects of the farmer's plight in his *Prosperity, Fact or Myth* (New York, 1929). This is the selection reprinted here and it is published by permission of Bonibooks.

Prosperity, Fact or Myth

BY STUART CHASE

CHAPTER VII: THE SHARE OF THE FARMER

. . . BUT TO USE the simplification for the American farmer is too utterly incongruous. He does not operate in masses; geographically it is impossible, temperamentally he hates the thought of it. There is no such thing as the American farmer or any semblance of such a thing. There are about 6 mil-

lion individuals [1] sprawled across the country from the potato fields of Aroostook county in Maine to the corner where the icicle of Lower California begins to drop off the continent. With their families they comprise nearly 30 million persons. They range from a happy shiftless negro tenant hoeing an acre of poor corn field in Mississippi to Mr. Campbell with his 80,000 acre, 100 per cent mechanized wheat farm, in Montana. Both are "Mr. American Farmer," but the mind balks at treating them as a unit. . . .

The War encouraged huge exports of American food-stuffs. We fed millions of European peasants who had left their fields for the trenches. Prices went up, acreage increased, the tractor became popular, efficiency was widely introduced. At the close of hostilities, American agriculture was in an exceedingly prosperous condition, relatively speaking. The hill billies of Kentucky were still cultivating their rocks, but farmers on negotiable land were doing well the country over. Prices had been pegged for them, land values were soaring, credit was readily obtainable. The whole economic structure of agriculture had been given a glorious kick upstairs.

Exports as we have seen held up well in 1919, and fairly well in 1920. In 1921, Europe suddenly stopped buying. Farm products shipped abroad tumbled $1,300,000,000 in the year. Wholesale prices collapsed. Land values exploded like pricked balloons. Unnumbered farmers who had been thinking of Florida, California and a new sedan, found their thoughts concentrated on mortgage interest. Their prosperity fell like a meteor into the sea. . . . And after 9 long years, the hiss of its extinguishment is still in their ears.

The following figures from *Recent Economic Changes* tell the sad story more effectively than any prose, however purple.

INDEX NUMBERS

	Prices Received for Farm Products	Prices Paid by Farmers for their Supplies	Wages of Hired Farm Labor	Taxes on Farm Property
1914	100	100	100	100
1918	200	178	176	118
1919	209	205	206	130
1920	205	206	239	155
1921	116	156	150	217
1922	124	152	146	232
1923	135	153	166	246
1924	134	154	166	249
1925	147	159	168	250
1926	136	156	171	253
1927	131	154	170	258

[1] Farmers by tenure, 1925: Full owners, 3,313,000; part owners, 555,000; managers, 41,000; cash tenants, 393,000; other tenants, 2,069,000. Total, 6,371,000. In addition there were, in 1925, 3,085,000 farm laborers.

The chapter might well end here. There is really very little more to say. Where farmers were getting a dollar for their corn or wheat or cotton in 1914, they were getting more than $2 in 1919 and 1920. Then the whole structure collapsed to $1.16 in 1921—cut almost in half. It has climbed up a little since, but in 1927 it was only $1.31.

This is bad enough in itself. But worse is to come. Regard the other three columns. The prices which farmers paid for their clothing, hardware and other supplies had also doubled by 1920, and also tobogganed in 1921. But instead of going down to 116, they only went to 156—where they have more or less remained, *far above the level* of prices for farm products. American agriculture has thus been caught in the famous "scissors" which the Russians talk about. It must pay relatively more for what it buys than it receives for what it sells. The wider the jaws, the more it squirms. In 1927 the jaws were 23 painful points apart. In the last two years they have narrowed a little, but they are still wide enough to make the pain sufficiently intense.

The same thing happened in respect to the wages of the hired man, except that the scissors are even wider—39 points in 1927, and still widening. This has helped hired men a little but not the farmers who hire them. In taxes the situation is even more deplorable. Instead of dropping in 1921, taxes continued to climb. By 1927 they were no less than 127 points above farm product prices! Again the motor car makes its bow on the prosperity stage, but this time upside down. The chief reason for higher farm taxes lies in highway construction in rural areas. This has made contractors and automobile manufacturers prosperous but farmers have paid the freight. . . . Figures for several counties in Michigan show that in the last 7 years taxes have absorbed *90 per cent of the net return to farm owners.* Other studies indicate that an absorption of one-third to two-thirds the net return is common.

This woeful burden operates to depress land values. For the last century the value of farm lands had been marching steadily upward. Farmers came to believe that a mounting curve was inevitable—something as dependable as a mounting thermometer in the spring. They cannot adjust themselves to a sagging curve. But according to Mr. Edwin G. Nourse in *Recent Economic Changes* the end

has come—1920 in his opinion registered the peak, nationally speaking. . . . That it certainly registered a steep temporary peak his figures make only too plain.

INDEX NUMBER OF FARM LAND VALUES

	1913	*1920*	*1928*
Illinois	100	160	96
Iowa	100	213	117
North Dakota	100	145	99
Kansas	100	151	113
South Carolina	100	230	110
Texas	100	174	139
California	100	167	161
Connecticut	100	137	139

. . . Mr. Copeland has prepared a profit and loss account for all American farms for the year ending June 30, 1927. It is a pity to kick a man when he is down, and to continue reciting the woes of agriculture may seem unnecessarily cruel. As an accountant, however, I cannot forebear to append his beautiful table. It must have taken months of arduous computation.

Gross value of agricultural production [a]		$12,127,000,000
Payments to other industrial groups		3,697,000,000
		$8,430,000,000
Wages paid hired labor	$1,291,000,000	
Rents paid—net	1,267,000,000	
Interest paid	260,000,000	
Loss due to fall in land values	2,160,000,000	
		4,978,000,000
Net return to owners		$3,452,000,000
Interest on market value of equity	$1,759,000,000	
Charge for owner's labor @ $540 per year	3,410,000,000	
"Normal profit"		5,169,000,000
Deficit of actual profit		$1,717,000,000

[a] Including estimate for food grown and consumed on farm.

One final blow and I am done. Mr. Mitchell believes that the best single index of the lowly position of agriculture is in the percentage of farm per capita income, to the per capita income of the total population. In 1919, the average farm dweller was receiving 57 per cent as much income as the average American. In 1921, the ratio dropped to 34 per cent. Now it has climbed to about 40 per cent—and so still far short of 1919. Relative to the rest of us, farmers have lost 17 points in the last 10 years.

In the face of this depressing testimony it is pertinent to inquire how farmers continue to exist at all. As a matter of fact, many of them have ceased to exist—as farmers. Nearly a million (net) left their homesteads for the city between 1920 and 1927. But 6 million still remain. Why? Well, for two reasons.

In the first place, . . . we have been talking mainly about agriculture as a whole, which is to say the average farmer. He is non-existent. Hundreds of thousands of individual farmers, the country over, have made ends meet, and thousands have prospered. Soil, crop demand, export opportunities, mechanization, local conditions, differ widely. Individual abilities differ widely. Here and there agriculture continues to pay well.

Secondly, and far more important, for agriculture to show a profit and loss account in red figures may be sad, even tragic, but it is not evidence of extermination. *Farming is not a business* —or, more properly, not *yet* a business. A corporation consistently in the red closes its doors and goes into the hands of a receiver. Without the life-giving margin of credits over debits, it shortly ceases to exist. It is a child of the money and credit system, and the penalty of breaking the rules of that system is death. Not so the farmer. . . . He is carrying on a job far older than the money and credit system. He is handicapped seriously by its rules, but in a pinch he can still defy them. No penalty of sudden extermination hangs over him. If his books do not balance, if his debits exceed his credits, he can throw his books out of the window and go out and pick a mess of peas, or milk the cow. He has a roof over his head, food in his fields, fuel in the wood lot. He can stand a financial siege if he must. The banker holding his mortgage may evict him and a few of his neighbors if interest is not paid, but he cannot evict a whole country-side. If times are generally bad, the banker may whistle for his money—and in the end go bankrupt himself. . . .

American farmers as a class have had no share in American prosperity. They have bought some of the outward symbols, but their basic condition has improved but slightly since the crash of 1921. For the poor land farmers, it has not improved at all.

The share of agriculture has been perhaps sufficiently established, but curiosity drives us on to inquire *why* the farmers are worse off than in 1920, while the rest of us are in terms of money income, at least, better off. Why did our curve go up, and theirs go down? What made the scissors open wider?

For one thing, as the scissors figure suggests, our changing standards have tended to depress the farmers. The nation is eating lighter foods, wear-

ing lighter clothing. Fruit and vegetable farmers have benefited somewhat (the trouble is the new demand has been frequently overestimated, resulting in excessive acreage) but cotton, grain, sheep and cattle raisers have suffered. Clothing demand has shifted to silk and rayon—good for Chinamen and wood pulp manufacturers, not for farmers. Nor is much in the way of agricultural raw materials to be found in automobiles, gasoline, radios, sporting goods, moving pictures, travel, college education and tabloids—all great items in the new standard of living.

Higher wages in industry have forced farmers to compete with the factory for labor, and thus raised somewhat the wages of the hired men—as we have already noted. Also, as we have seen, the taxes inspired by the motor car have been a tremendous burden.

The collapse of the European market in 1921—a market which has never really come back—was the inciting cause of the whole agricultural toboggan slide. Meanwhile Canada, the Argentine, and Australasia have been putting an ever greater volume of agricultural products on the world market to the detriment of America. Canadian wheat has jumped from 52 million bushels in 1900 to 550 millions in 1928; Argentine from 78 millions to 239 in the same period; Australasian from 49 to 119 million bushels. Argentine beef exports have increased from 54 million pounds in 1900 to 2 billion pounds to-day.

Finally, and perhaps most important of all from any long-range view, the machine has enormously distressed most farmers. It has made a few rich, but thrown agriculture as a whole completely out of step, and disrupted its time-honored rhythms. Tractors have eliminated 6 million horses and mules from farms in the last 13 years. A tractor eats gasoline; horses eat oats and hay. Some 18 million acres of hay and grain lands are no longer needed, to the increasing dismay of hay and grain farmers. Worse, the old crop rotation of corn one year, oats the next, meadow land the third, goes into the discard, breaking up an old and admirable economy.

Agriculture has always suffered from overproduction. Machines increase the agony. They get more of a crop out of a given acre. Unless acres decline, the market inevitably will be saturated. Acres, alas, have not declined appreciably. The 19 principal crops covered 351 million acres in 1919 and 349 million acres in 1927. While a million farms were being abandoned during this period the "mass" of crop production, taken as 100 in 1919, grew to 106 in 1927. Workers are fewer, farms are larger, production is greater. As in the factory, output per man on the farm is increasing, though at a far more leisurely pace. The large output tends to keep prices low. Thus the gain in efficiency has not benefited most farmers. . . .

Let us look a little more carefully into the fundamental incompatibility of the farm and business. To begin with farmers are less mobile than industrial workers; they do not respond readily to shifts in demand, or to technical improvements. In the second place, the installation of a new machine requires first the approval or vote of the individual farmer, and second the individual financing thereof. How far would the machine age have progressed if factory workers had voted on each new loom or lathe, and then purchased it on their own credit? Somewhere higher up a boss decided on the new machine, and his board of directors found him the money. The worker either took it or took himself off the premises. Technological progress over the whole field of agriculture must be not only a slow process, but at some points—such as maximum efficient acreage per machine—an impossible one. Only a brand-new kind of centralized, coördinated control can really domesticate the machine on the farm. The half-way measures—a mechanized farm here and there—which are now in process, have no discernible end except more muddle. The Texas cotton growers have a temporary advantage, but I predict that it will not last. Two cultures, fundamentally at odds, are trying to live in the same house.

The business farmer, with large acreage and complete mechanization, brings down costs and makes a fair return on his investment. Good. Then what happens? The little farmers, hearing of the profits, sow their fields with the same crop. Squatters take up land and sow the same crop. Prices drop. Both big and little men are soon in the red. But the big man is likely to suffer more in the end. He has heavy fixed charges to meet on a large, depreciating investment. Under individual ownership and operation, crop surpluses have been and always will be unpredictable. Nobody has yet found a way to control rain, frost, hail and wind. This is a sufficiently risky situation for a centrally planned production system; it is altogether too risky for large blocks of private capital to flirt with indefinitely. A report of the United States Chamber of Commerce made in the summer of 1929, finds that 74 large farms averaging 12,000 acres, in 28 states, are neither more nor less successful than neighboring small family farms. It concludes that a revolutionary change in agriculture in the direction of quantity production—

with its inevitable by-product of a disastrous effect on the social life of the rural population—is far from fulfillment. I submit that it never can be fulfilled. The farmer is not a business man. . . .

THE BOOM

THE DEPRESSED INDUSTRIES and the plight of agriculture were only two evidences of the fact that the boom of the later nineteen twenties was not soundly based. There were others for those willing and clear-sighted enough to read them: but most Americans went on their way unheeding. Certainly, no public officials in high places sought to issue warnings.

Notably in the fields of financing and foreign economic policy—we can see now—were gross errors of judgment committed. The vast expansion of installment selling, particularly as regards the acquisition of durable consumer goods (automobiles, radios, furniture, electrical appliances), involved Americans in a mountain of debt. New devices for corporate financing and manipulation—holding companies, investment trusts, bank securities affiliates—were permitted to appear not only to inflate values but to increase further the debt structure of the nation. The credit inflation finally got out of control as a result of the orgy of stock-market speculation in the second half of the nineteen twenties. Besides, we poured vast sums abroad, frequently into unsound investments. And as we became a creditor nation, at the same time we raised even higher the barriers against foreign imports—in the Emergency Tariff of 1921, the Fordney-McCumber Tariff of 1922, and the Hawley-Smoot Tariff of 1930. The rest of the world might buy from us and we were prepared to finance such purchases; but we were unwilling to buy from the rest of the world. Certainly this could not go on forever; by the end of 1929, we were ready to see why.

In the selections that follow, some of the financial aspects of the boom are presented. During the nineteen twenties, Edwin R. A. Seligman (1861–1939), professor of economics at Columbia University, undertook to supervise a study of installment selling (principally in relation to the automobile industry) which resulted in two large volumes, *The Economics of Installment Selling* (New York, 1927). Seligman regards the growth of installment selling as a new departure in economics, a revolution hardly inferior to the Industrial Revolution itself. Though earlier phases of consumption credit may have been marked by abuses, modern installment selling falls into another category because it is concerned with durable goods. After considering the process of installment selling as it affects manufacturer, dealer, and financial intermediary—the finance company—the study ends on a note of approval. Installment credit is the latest in history's many methods of financing consumption beyond the consumer's immediate ability to pay. Though it has some dangers, installment credit does not carry with it the threat of inflation. The "inveterate prejudice" against consumption credit is a relic of an earlier time when "luxuries" were only for a small, high-income group.

After the event—that is, in 1933–1934—the Senate Banking and Finance Committee investigated some of the more unsavory aspects of financial promotion and manipulation. It hired Ferdinand Pecora (1882–), Italian-born New York lawyer and Wilsonian Democrat, to act as its counsel; his keen probing exposed many weaknesses and led to the formulation of a sound regulatory policy. The Securities and Exchange Commission was one of the results of this inquiry. Later, Pecora summarized some of his findings in his *Wall Street under Oath* (New York, 1939). Pecora looked into the operations of holding companies, investment trusts, bank securities affiliates, personal corporations and the like; he paid particular attention to the promotion of foreign

bond and stock issues in the United States. And, in all cases, he found a lack of responsibility on the part of the issuing bankers and houses and a betrayal of the trust of the buying public.

Frederick L. Allen (1890–), editor of *Harper's*, tells the story of the amazing Big Bull Market in his lively description of the golden nineteen twenties which he called *Only Yesterday* (1931). What emerges from his narrative—as far as the student of economics and public affairs is concerned—is the complete helplessness of the Federal Reserve Board to check the orgy of speculation and to control the financial mechanism of the nation.

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Economics of Installment Selling

BY EDWIN R. A. SELIGMAN

Chapter II. Modern Installment Selling

. . . The prodigious increase in production and the lowering of prices led to continually newer classes of users. With this change came the need of some alteration in the methods of sales and the disposition of the product. In the older days, when the automobile was an article of luxury and bought only by the very wealthy, cash was virtually the only method available or desirable. But when the would-be purchasers came to be predominantly of the middle and lower middle class, and when it became more and more customary for the farmer and even the more prosperous wage-earner to desire a motor car, an opportunity arose to introduce some method to enable purchase on the part of those who had no great stock of accumulated savings or who, at all events, would find it inconvenient to pay in cash. The ordinary man of modest means who had learned how to construct his home through the building and loan associations, and who had had a more or less fortunate experience in buying the necessary furniture for his home through the instalment method, regarded with favor this way of adding to his possessions what he now considered only next in importance to his house and his furniture.

There was, however, another reason for the development of the new sales method—a reason connected with the dealer rather than with the consumer. The automobile business was at the outset a highly seasonal business. Especially in the early days before the advent of the great popularity of the closed car, the automobile sales were massed in the early spring and summer. With the gradual development of the volume of sales, the manufacturers began to realize what has long been a commonplace in economic theory and what has been the lesson of experience in business practice, that the advantages of mass production, which would render possible a lowering of the price and a capture of the market, were more or less dependent upon an even and continuous output. It is obvious that where seasonal production of any commodity is marked, the non-utilization of the plant and the laying-off of workmen conspire to increase costs and to interpose difficulties in the successful prosecution of the enterprise.

If now the distributors or wholesale dealers in the automobiles found, as was increasingly true, that the retail dealers were able to dispose of their cars only in certain months of the year, the problem of what to do with the accumulated stock became a serious one. If the demand on the part of the dealers was essentially seasonal, the demand of the distributors would become correspondingly seasonal, and the manufacturers would be confronted by the problem of securing an even flow of their output. For the individual dealers to purchase cars and to store them in anticipation of the demand was out of the question; their capital was inadequate. For the distributors to step into the breach and to pay cash for large quantities of automobiles which they would have had to put in storage would have meant useless expenditures for storage facilities. A continuance of the old system, therefore, implied a rather rigid limitation on the possibilities of output. What was more natural, then, than that there should occur to some ingenious minds the thought that if a method could be devised for replacing the system of cash sales, the problem would be solved? If the distributors could be permitted to pay for the accumulating stock of automobiles only as they periodically disposed of them, the difficulties of the situation would be largely overcome.

In this way, the two converging streams of influence, namely, the desire of the automobile user to be provided with a somewhat easier method of payment, and the interests of the automobile man-

ufacturer to secure a larger as well as an even, uninterrupted flow of output, conspired to bring about the introduction of the instalment method.

Since the origin of instalment sales in automobiles is due to these two reasons, it becomes necessary to explain somewhat more in detail the influence of each.

So far as the consumer is concerned, cash was the well-nigh universal rule up to 1910. Of course, here and there isolated instances were to be found, as in the sale of everything else, where the dealer made, largely for personal reasons, some credit concession to purchasers. But these instances were sporadic. With the growth in the number of automobiles, and in the desires of a continually growing group of more or less modest purchasers to secure automobiles, the custom arose of buying used instead of new cars—a custom strengthened by certain factors on the supply side as well. With the increase in the used-car business, the pressure upon the dealers to make some concessions to the buyer became stronger. From the year 1910 on, we find such concessions growing, especially on the Pacific Coast, where the climate rendered possible the utilization of automobiles for a considerably more protracted period than in the rest of the country, and where the good roads first made their appearance. Within the next two or three years, the system of making concessions in the way of time payments became quite common, and it had in the meantime been applied to new cars as well. Although the methods differed considerably from dealer to dealer, and although the terms were even more heterogeneous, the purchasing public was gradually accustoming itself to pay for the cars, whether new or used, in successive instalments, chiefly in monthly payments.

The problem now arose as to how the dealer could contrive to pay cash to the manufacturer for the cars which he was now beginning to sell on instalments. He might indeed, and did in fact at first, turn to his local bank and endeavor to discount some of the notes turned over to him by the purchasers. But difficulties soon disclosed themselves. The dealer might not have been of unimpeachable credit or in possession of a credit rating such as that to which the local bank had been accustomed; and even where the dealer's own credit was good, he had in most cases no organization adequate to guarantee the solvency of the customer and therefore the standing of the notes turned in. Moreover, as many of these purchasers' notes ran for a considerable number of months, this paper was essentially lacking in the element of liquidity which the banks were accustomed to demand. Above all, there emerged the problem of collecting the unpaid instalments; and the local bank was often both unable and unwilling to institute a new and expensive department to oversee the delinquent purchasers. The relations between the dealer and the purchaser, therefore, inevitably called for some form of credit mechanism, adequate to this new method of instalment selling.

More important, naturally, was the pressure brought to bear by the arrangements between the distributor and the manufacturer. Here, also, up to this period, it had been customary to sell automobiles strictly for cash, with the exception of isolated cases, as in all similar businesses, where the manufacturer made concessions to particular dealers and carried part of the stock on an open account during the slack months of the year. Such examples were, however, uncommon. But now, with the increasing pressure exerted upon the distributors by the manufacturers, the former realized that their capital was not sufficient. In an industry where so long a time elapses between the beginning and the end of the productive process, that is, between the purchase of the raw material and the final disposition of the finished product, the question of delay in payment becomes of prime importance. Even in an industry with a fairly large capital, it becomes embarrassing to have a large part of the funds tied up. If thousands of cars are to be manufactured and then indefinitely stored until called for by the seasonal demand, a decided limit is set to the output. Neither the distributor nor the manufacturer could secure much help from the local bank, partly for reasons explained above and partly because of the fact that, if the banks were to be adequately remunerated for this new service, they would have to make charges which would probably bring them into conflict with the usury laws in the various states. Furthermore, laws restricting the amount of loans to be made to any one individual frequently resulted in a situation where the dealer could not obtain adequate financing accommodations. The manufacturer not only needed his money at once, but desired a larger, as well as an even and continuous, market for his product; the distributor, unless he was to dissipate his gross earnings in storage expenses and other payments, was under pressure to find buyers for the surplus cars. Something else was needed not only to render liquid the frozen credits which were thus being engendered on all sides, but also to impart a degree of reasonable safety to the new sales method.

Thus from all the parties to the transaction, manufacturer, distributor, dealer and consumer, there now came a demand for machinery which would render possible a greater volume of trans-

actions. The solution was found in the creation of the so-called credit companies or finance corporations.

Chapter XV. Conclusions

We have come to the end of a long discussion. We have seen that while not a little light can be thrown upon some of the problems of instalment selling by an examination of the facts, there remain not a few points where a judgment rests for the present upon general economic reasoning. Let us attempt to restate here some of our principal conclusions.

Instalment selling in the sense of making a final liquidation through the method of successive fractional payments, is both old and new. It is old in that it has been used in both public and private transactions from the beginning of recorded history. It is new only in the sense that it has been applied on a large scale in recent years to certain more durable consumption goods. To all intents and purposes, it has become a problem of the automobile inasmuch as so large a part of all instalment selling is concerned with the automobile.

We have traced the origin and history of modern instalment credit, and have described in some detail the methods employed in so far as they affect the purchaser, the dealer, the manufacturer, the finance company and the investing public.

We have also sought to give more reliable estimates as to the extent of instalment selling and of outstanding instalment paper. Our conclusions were that many of the existing estimates are grossly exaggerated, and that instalment sales, in the case of the durable consumption goods to which the system is primarily applied, amounted at the end of 1926 to about four and a half billions of dollars out of total retail sales of about thirty-eight billions; and that the total of outstanding instalment paper was about two billions.

We proceeded next to point out that most of the prevalent opinions on instalment credit are the more or less unconscious reflections of prejudice or prepossessions as explained by the self-interest of the individual; and that scarcely a single one of the judgments rested upon either a satisfactory factual basis or an adequate economic analysis.

In our analysis of the situation it was necessary first to note that, inasmuch as instalment credit is a part of consumption credit, the alleged contrast between production and consumption needed a more careful study. This study brought us to the conclusion that the utilization of wealth might be either productive, neutral, wasteful or destructive. Instalment credit, therefore, in the first place would have to be envisaged from the point of view as to whether articles to which it is applied represent a productive or even a neutral utilization. The ordinary charge brought against instalment credit on the ground that there is something illegitimate in the idea of granting credit on consumption goods was seen to be destitute of economic foundation.

Employing the term "consumption credit" in the common acceptation, we traced the development of credit in general and showed how each great change in economic conditions brought with it the evolution of a new form of credit. Each successive form was at first deprecated, then coldly welcomed, and in the end cordially accepted. Instalment credit represents the latest stage of credit.

Inasmuch as instalment credit is a part of consumption credit, we undertook in the next place to ascertain the general modern tendencies of consumption credit, irrespective of whether or not it is liquidated in lump-sum payments. We found that the growth of consumption credit was affected by conditions which differed not only according to the section of the country, but according to the population of the town and the size of the establishment; and that consumption credit was far more successful under certain of these conditions than under others. While we found it difficult to secure an exact verification of the statement, we came to the conclusion that instalment selling denoted a substantial addition to the total amount of credit rather than a change in the proportions in the various forms assumed by consumption credit.

In our endeavor to ascertain the exact points in which instalment credit differed from the other forms of consumption credit, we saw that there were certain differences ascribable to the commodities themselves, but still more significant differences in the conditions under which the credit is granted. The essential point here we found to consist in the character of the terms on which instalment credit is offered, and in the nature of the security for the grant of credit. In other words, we learned that perhaps the most serious problems of instalment credit clustered around the facts of delinquencies and defaults, with the consequent necessity of repossession. It was therefore to a study of repossessions that we devoted special attention.

In addition to the common criticism that instalment credit is illegitimate because it applies to consumers' goods, we noted the almost equally common objection against instalment credit on the ground that it is granted for the use of luxuries. This led us to a study of the contrast between luxuries and necessities. As a result of our analysis,

we were led to emphasize the connection between the so-called luxuries and the rising standard of life in the mass of the community. We came to the conclusion that while the force of the old objections against certain forms of senseless and extravagant luxury on ethical grounds remained unimpaired, attention ought primarily to be directed to the validity of the economic argument which explains the transition from luxuries to necessaries.

Making a particular application of the above analysis, we pointed out that the automobile must be regarded neither as a luxury nor as a type of foolish and wasteful consumption; but that, on the contrary, the advent of the automobile has marked a revolution in economic and social life which is comparable to that produced by the introduction of the railway; and that, in the one case as in the other, we must weigh up certain resultant evils with the acknowledged benefits; with the conclusion that it is open to little doubt as to where the balance of advantages lies.

In the final part of our discussion, we took up some of the problems connected with the special effects of instalment selling. So far as concerns the consumer, we pointed out that the real problem consists in the contrast between present and future satisfactions, and that a more significant distinction than the one ordinarily drawn between consumers' goods and producers' goods is the distinction that ought to be made between goods that are paid for before or after utilization. The essential service of instalment selling was found to be the putting of durable goods on a par with ephemeral goods, and the rendering it possible immediately to place in the hands of the consumer worth-while commodities which it would otherwise be impossible for him to acquire. We discussed in the next place the question as to whether consumers' judgments are irrational, and found that we must here distinguish not only as among various commodities, but also as among various income classes. The lower we descend in the scale both of income and of durability of goods, the greater we found to be the chance of irrationality and abuse. On the contrary, the higher we ascend in the scale of the class and in the nature of the productive utilization offered by the services of the commodity, the smaller is the likelihood of irrational judgment on the part of the consumer. In such cases we found that instalment selling has a distinct tendency to correct in the process of time any possible distortion of judgment. Finally, with reference to the effect of instalment credit on savings, our analysis led us to the conclusion that instalment credit not only tends on the whole to strengthen the motives which induce an individual to save, but also tends to increase his capacity to do so. Instalment credit, in short, if applied to the proper articles and under the proper conditions, may promote not slavery but liberation.

Taking up next the effects of instalment credit on business conditions, we attempted to analyze its influence on demand. Here we came to the conclusion that instalment selling, instead of simply advancing the time when demand becomes effective, really leads to an increase of purchasing power. This is due not so much to the consideration that there is a correlation between output and demand, as to the undoubted fact that instalment credit puts goods of potential productive utilization at the disposal of the consumer at an earlier period than would otherwise be practicable. As over against this conclusion, we studied next the problem of costs or finance charges; and while we learned that there were still many abuses to be noted, we saw that the general tendency of the movement is in the direction of eliminating abuses. We thus arrived at the conclusion that while instalment selling undoubtedly increases the cost of the product, this disadvantage is probably on the whole outweighed by the corresponding advantages.

Coming next to the influence of instalment credit upon production, the result of our analysis was that instalment selling tends in part at least to a stabilization and regularity of output but, above all, because of the device of fractional payments, to an actual increase and acceleration of production.

We took up finally the effects of instalment selling on the credit structure. Here we found indeed that there are special risks connected with instalment credit, and that these center about repossessions and used-car problems. This led us to a comparison between the recourse and the non-recourse systems in the automobile business, with the conclusion that the weight of argument is distinctly in favor of the recourse system. We studied next the connection between instalment credit and business depressions; and, as a result of a detailed investigation into the conditions produced by the anthracite coal strike, we concluded that the dangerous effects of instalment selling on the credit structure have been exaggerated, and that, although the facts are as yet inadequate to furnish a foundation for definite statement, instalment credit under proper conditions is probably not open to the charges so often preferred against it in this respect.

Summing up the entire matter, we should say that instalment selling, like every new institution,

is subject to the perils of novelty. It has engendered new devices and has created a new technique, but it has undoubtedly come to stay. Some abuses and perils which it were short-sighted to deny have crept in. What is needed is to apply to each particular case some of the results of the analysis which we have attempted to present. As the years roll by, experience will teach us to what classes of commodities and to what strata of society instalment selling is economically applicable. In the course of time outworn methods will be discarded and new abuses will undoubtedly appear. Is it not the part of wisdom to separate the chaff from the grain, to be on our guard against the obvious dangers, and to eliminate one by one the improper practices until, precisely as in the case of our banking structure, we may be able to establish fairly definite and generally accepted standards for distinguishing the sound from the unsound, the real from the specious? When instalment selling comes to be measured by these criteria, we may expect to learn that the innocuous and the salutary must not be confounded with the inappropriate and the regrettable, and that, in its ultimate and refined forms, instalment credit will be recognized as constituting a significant and valuable contribution to the modern economy.

Wall Street under Oath

BY FERDINAND PECORA

V. The Path of Error

. . . To reach a point where it more than rivalled J. P. Morgan and Company and Kuhn, Loeb and Company in the origination of securities, and, in addition, to build up a world-wide sales organization that sold many millions of shares annually directly to the public, might have seemed enough to satisfy anyone's lust for expansion. But the National City did not stop in its course even at this point. Finally, it must have dawned on Mr. Mitchell and his associates that after all the true purpose of the Company was neither to make bonds, nor to make sales of bonds, but to make money. And here, ready to hand, was the New York Stock Exchange, the very best place in the world to serve such an ambition. What if it were rather an unprecedented and forbidden thing for a national bank to be "in the market," to gamble, and to manipulate, like any fevered Wall Street speculator? It was not, in legal technicality, the "Bank" that was speculating, it was the "Company."

The development of the National City was, in this respect, a logical progression. Step by step, the affiliate had led the Bank into stranger and stranger pastures. Originally, when organized in 1911, it was to be used merely to hold certain investments that the Bank legally could not. From this, it expanded into an investment banking "house of issue," manufacturing bonds in imitation of the great private bankers. Under Mr. Mitchell's dynamic rule, it developed its immense machinery for selling those bonds to the general public.

When it went still further, and used this machinery to distribute millions of securities not originated by itself, millions of the same stocks that were being traded in upon the floor of the Exchange, it already had one foot deep in the market; and its success and profits had become inextricably interwoven with the daily plus and minus signs of the stock quotations on the financial pages. It was only a short step from this, to complete and unrestricted speculation directly on the Exchange.

Thus it came about that in the four months, December, 1928, to March, 1929—a time when Federal Reserve authorities were doing everything in their power to restrain the further growth of the wild speculative excesses of the market—the National City Company was a principal participant in and financed three separate "pools" trading in copper stocks on the Exchange. All three were subsidiaries of Anaconda. One was in Andes Copper, one in Chile copper, and the third in Greene Cananea. In some cases, the National City itself "ran the account"; in others, other members of the group did so. Almost 500,000 shares of these various companies were accumulated in these pool operations. About 115,000 shares were retained as profit. The rest were sold to the public by trading on the Exchange in the usual manner. The National City's share of the profits was $167,000 in cash, plus about 66,000 shares of Anaconda stock, which, at the quotations then prevailing, were worth approximately $9,000,000.

The National City, to be sure, ran little risk in taking these "flyers" and making these huge profits. Greene Cananea, for example, was a famous "mystery stock" at the time; its price was rising sensationally—but did this represent real value, or merely manipulation? The National City did not have to guess, for its fellow pool members were none other than John D. Ryan, Chairman of the Board of Anaconda, which controlled Greene

Cananea, and Cornelius Kelley, the President of Anaconda. The fact that this whole operation depended on the use by directors and insiders of their confidential knowledge of their corporation's business for their own personal profit, did not deter them in the least. . . .

One might think that the National City had now finally reached the limit, but there is more to come. Perhaps the most extraordinary of its activities during those frenzied years was the orgy of trading by the Company in the stock of the Bank itself. It is, of course, strictly against the law for a national bank to purchase its own stock. It cannot even lend money on its own stock. Legal technicalities aside, it is obvious that wild advances and recessions in the price at which a bank stock is quoted, cannot fail to affect gravely the stability and reputation of the institution. Of all stocks, bank stocks ought least to be the football of speculation.

Solemnly the National City gave lip service to this doctrine. Its officers went so far in 1928 as to have the stock of the Bank stricken from the New York Stock Exchange, where it had been listed for many years, because they professed to be able to detect microscopic signs of manipulation in its price. This they considered to be "distinctly disadvantageous, and probably at times might even be dangerous." Yet mark what follows: in the next two years, National City Bank stock, which had a par value of $100, was pushed up and up until it reached dizzy heights. In January, 1928, when it was taken off the Exchange, it sold at $785. In June, 1928, it stood at $940; in January, 1929, it climbed to $1,450; a few months later, it reached the fantastic price of $2,925 (actually, $585 per share, after a 5 for 1 split-up). The highest book value ever ascribed to it was only $70. And the National City, which had removed the stock from the Exchange "to prevent manipulation," was itself the principal trader!

Altogether, in the three-and-a-half-year period ending December 31, 1930, the National City Company sold almost 2,000,000 shares of the stock of its Bank, and even then it had about 100,000 shares left over. In the single year 1929 it sold more than 1,300,000 shares. For the proud privilege of owning these shares, worth $140,000,000 at their highest book value, the public paid the stupendous sum of $650,000,000. Most of this inflated value was, of course, wiped out during the years of depression, when National City fell from 585 to 21. Mr. Mitchell himself was a heavy loser —according to his own statement, the heaviest individual loser of all.

The campaign to sell National City Bank stock was carried on by every means available. It was sold at these exorbitant prices by the hundreds of thousands of shares by National City salesmen, stimulated by special premiums. It was sold "over the counter" through regular brokerage houses, with fifteen or twenty of whom the Company maintained direct wires. The Company was by far the largest customer of the "specialist" in this stock, and kept in telephonic touch with him, on busy days, "maybe every three or four minutes." The Company not only accumulated and sold for its own account—at times as many as 30,000 or 40,000 shares in a single day—but it encouraged others to fan the flame, giving, free of charge, an option on 30,000 shares as the basis of operations for a syndicate headed by the well-known brokerage firm of Dominick and Dominick. It was making so much money selling the Bank's stock that it even sold more shares than it owned—i. e., it "went short"—and had to borrow 30,000 shares from Mr. Mitchell's private holdings to cover its sales. Greed and irresponsible banking could go no further. . . .

X. "We Could Have Taken One Hundred Percent!"

In your hands or in the writer's hands, a dollar is only a dollar. It can buy a dollar's worth of bread, or a dollar's worth of merchandise, or a dollar's worth of corporate stock. The skilled financier, however, would not go very far in his profession if he could not do better than that. In his hands, a dollar goes a long way: it frequently buys control of ten, or twenty, or even one hundred times as much money as the financier himself invests.

In this chapter, we shall tell the story of one of the most outstanding and spectacular examples of this process encountered during the Senate Investigation: the investment trusts of Dillon, Read and Company . . .

Like J. P. Morgan and Company and Kuhn, Loeb and Company, Dillon, Read and Company were private bankers. They did not, however, take deposits to any considerable extent, but concentrated on the creation and sale of new securities. Here they did a huge quantity of business, issuing nearly four billion dollars of government, municipal and corporate bonds and stocks for the fifteen years following the war. This was more than Kuhn, Loeb and Company, but less than J. P. Morgan and Company.

Since they took no large amount of deposits, Dillon, Read and Company did not have in their control, from this source, any great fund of "other

people's money," as did the Morgans and Kuhn, Loeb. But they contrived a scheme which from their point of view was superior to the bankers' traditional technique. They were able to get control of the public's money, yet simultaneously they avoided the inconvenient necessity of keeping that money payable on demand, as is the way with ordinary deposits.

This new superior technique was an amazingly simple combination of two devices: the "investment trust" and "nonvoting stock," together with some added features of Dillon, Read and Company's own invention.

The first step, taken in 1924, was the organization of a corporation known as the United States and Foreign Securities Corporation. This was to be an investment trust, i.e., a company which invests in securities, just like any private person, but with the asserted advantage of trained management and great capital resources. There were three classes of stock in the new corporation—first preferred, second preferred, and common. There were 250,000 shares of the first-named class, 50,000 shares of the second, and 1,000,000 shares of the common. The "first preferred" stock was so called because it was entitled to receive dividends of six per cent before the other classes of stock received anything, but in the matter of voting rights and control, it was anything but preferred. So long as dividends were regularly paid it could not vote at all, it had not the slightest voice in the management. It was, in short, what is known as "nonvoting stock," one of the devices which Mr. Otto Kahn had picturesquely denounced as "inventions of the devil." Under all ordinary conditions, only the common stock could vote, and therefore whoever controlled the common stock controlled the corporation.

The entire 250,000 shares of "first preferred stock" were sold to the public for $25,000,000. As an added attraction, the public was also given 250,000 shares of the common stock—one share of common with each share of first preferred. That left unsold the 50,000 shares of second preferred stock, and 750,000 shares of common stock. All of this Dillon, Read and Company bought for $5,100,000. Thus, although it invested only one fifth as much as the public, Dillon, Read and Company, owning three fourths of the common stock, the only stock that could vote, completely controlled the corporation.

The United States and Foreign Securities Corporation, ably managed and operated during an era of rising stock prices, prospered greatly. By 1928 there was a cash surplus of $10,000,000. What had the public, who contributed $25,000,000 of the corporation's $30,000,000, gotten out of this prosperity? They had gotten their six per cent dividends on their first preferred stock—and that is all.

True, they also owned 250,000 shares of common stock, but in spite of the $10,000,000 cash surplus, there had never been any dividend declared on the common stock. To anticipate a little, there never was any dividend on this stock.

What had Dillon, Read and Company realized? In the first place, it had, like the public, been regularly receiving by way of dividends on its second preferred stock, six per cent on the money it had invested. In the second place, it had made about $340,000 as its share of the bankers' "spread" in the sale of the corporation securities to the public. In the third place, it now had complete control, unhampered by any possibility of withdrawal, not only of the original $25,000,000 public contribution, but also of the $10,000,000 cash surplus which had been earned by the use of that money. The Dillon, Read and Company investment, which had originally controlled an additional $25,000,000, now controlled $35,000,000. The best part of the whole transaction, moreover, was that Dillon, Read and Company and individual members of that firm still retained practically all their 750,000 shares of common stock; and this common stock, which at the time of its original acquisition had been assigned a nominal value of 20 cents per share and according to Mr. Dillon, "was worth less," with a book value of "a million dollars less than nothing," had risen greatly, eventually going as high as $72 a share. Hence, an investment of, at the most, a few hundred thousand dollars, had brought in potential profits of thirty to forty million dollars for the bankers. . . .

Even these astonishingly fortunate developments did not satisfy Dillon, Read and Company. There was still that $10,000,000 cash surplus fairly asking to be put to work. How employ it better than by repeating on a larger scale the same operation that had already worked out so well?

So a second corporation, a second investment trust, was formed. This one was called the United States and *International* Securities Corporation. Like the United States and Foreign Securities Corporation, it had three classes of stock, first preferred, second preferred and common. As in the first corporation, all voting power under ordinary circumstances was exercised by the common stock. As in the first case, too, the public was allowed to buy—this time for $50,000,000—only the "nonvoting" preferred stock with only a minority of the common stock added in. But there was one salient difference: this time, Dillon, Read and

Company did not have to invest a single dollar of its own. Instead, it was the United States and Foreign Securities Corporation, which, with its $10,000,000 cash surplus, now put up the money to secure complete control.

There were now two investment corporations—the second with a $60,000,000 capital, controlled by the first with a $30,000,000 capital; and the whole $90,000,000 controlled by Dillon, Read and Company, which had four years before invested $5,100,000.

Did we say that the organization of this new corporation, bringing with it control of an additional $50,000,000 of the public's money did not cost Dillon, Read and Company a dollar? It was a gross understatement: Dillon, Read and Company not only did not pay, they were themselves paid—over a million dollars—for their share in the arduous labor of organizing the company and floating its securities.

The following year, 1929, prices went still higher, and some of the members of Dillon, Read and Company thought it an opportune time to let the public share a little of their good fortune. They therefore consented to sell about 75,000 shares of their United States and Foreign common stock, at $47.50 or better per share, to certain pools organized by Dominick and Dominick, who disposed of it after their own fashion. They also sold another 45,000 shares through Dillon, Read and Company, to the firm's own customers at around $56 per share. Altogether, for these approximately 120,000 shares (not enough of the original 750,000 to disturb Dillon, Read's control), they received over $6,800,000. This in itself was over $1,500,000 more than the whole firm's entire original investment, and it was realized from only a petty fraction of their total common-stock holdings.

After the stock-market crash in 1929, things did not go so well. The United States and International Securities in particular, sustained large losses amounting at one time to about $26,000,000. The stock in which Dillon, Read and Company had seen fit to invest the $10,000,000 cash surplus of the first corporation in 1928 was completely wiped out.

To Senator Couzens, the taking of this $10,000,000 "out of an investment trust you own, or which you control, rather, its ownership being in the public hands," and putting it "in another investment trust to further augment your own profits," seemed "rotten ethics," and "reprehensible." To Mr. Clarence Dillon this and all the rest of the story seemed perfectly proper even in retrospect. . . .

Mr. Dillon thought in terms of Wall Street usage and legality, and from that point of view he even considered that the public had been treated with rare generosity and fairness. True, the public had contributed five times as much as Dillon, Read and Company to the United States and Foreign Securities Corporation, and had received only one third as much of its common stock in return, but Mr. Dillon pointed out—and who can deny it—there was nothing to stop Dillon, Read and Company from having taken, not only 750,000 shares of this common stock, but the whole 1,000,000. Giving the public any interest at all in these shares, even a minority interest, was a sheer act of grace. In his own words:

We could have taken 100 per cent. We could have taken all that profit. We could have bought all the common stock for $5,000,000. . . .

Only Yesterday

BY FREDERICK L. ALLEN

Chapter XII. The Big Bull Market

One day in February, 1928, an investor asked an astute banker about the wisdom of buying common stocks. The banker shook his head. "Stocks look dangerously high to me," he said. "This bull market has been going on for a long time, and although prices have slipped a bit recently, they might easily slip a good deal more. Business is none too good. Of course if you buy the right stock you'll probably be all right in the long run and you may even make a profit. But if I were you I'd wait awhile and see what happens."

By all the canons of conservative finance the banker was right. That enormous confidence in Coolidge Prosperity which had lifted the business man to a new preëminence in American life and had persuaded innumerable men and women to gamble their savings away in Florida real estate had also carried the prices of common stocks far upward since 1924, until they had reached what many hard-headed financiers considered alarming levels. Throughout 1927 speculation had been increasing. The amount of money loaned to brokers to carry margin accounts for traders had risen during the year from $2,818,561,000 to $3,558,355,000—a huge increase. During the week of December 3, 1927, more shares of stock had changed hands

than in any previous week in the whole history of the New York Stock Exchange. . . .

The speculative fever had been intensified by the action of the Federal Reserve System in lowering the rediscount rate from 4 per cent to 3½ per cent in August, 1927, and purchasing Government securities in the open market. This action had been taken from the most laudable motives: several of the European nations were having difficulty in stabilizing their currencies, European exchanges were weak, and it seemed to the Reserve authorities that the easing of American money rates might prevent the further accumulation of gold in the United States and thus aid in the recovery of Europe and benefit foreign trade. Furthermore, American business was beginning to lose headway; the lowering of money rates might stimulate it. But the lowering of money rates also stimulated the stock market. The bull party in Wall Street had been still further encouraged by the remarkable solicitude of President Coolidge and Secretary Mellon, who whenever confidence showed signs of waning came out with opportunely reassuring statements which at once sent prices upward again. In January, 1928, the President had actually taken the altogether unprecedented step of publicly stating that he did not consider brokers' loans too high, thus apparently giving White House sponsorship to the very inflation which was worrying the sober minds of the financial community.

While stock prices had been climbing, business activity had been undeniably subsiding. There had been such a marked recession during the latter part of 1927 that by February, 1928, the director of the Charity Organization Society in New York reported that unemployment was more serious than at any time since immediately after the war. During January and February the stock market turned ragged and unsettled, and no wonder—for with prices still near record levels and the future trend of business highly dubious, it was altogether too easy to foresee a time of reckoning ahead.

Anybody who had chosen this moment to predict that the bull market was on the verge of a wild advance which would make all that had gone before seem trifling would have been quite mad—or else inspired with a genius for mass psychology. The banker who advised caution was quite right about financial conditions, and so were the forecasters. But they had not taken account of the boundless commercial romanticism of the American people, inflamed by year after plentiful year of Coolidge Prosperity. For on March 3, 1928 the stock market entered upon its sensational phase.

2

Let us glance for a moment at the next morning's paper, that arm-breaking load of reading-matter which bore the date of Sunday, March 4, 1928. . . .

General Motors stock, opening at 139¾ on the previous morning, had skyrocketed in two short hours to 144¼, with a gain of more than five points since the Friday closing. The trading for the day had amounted to not much more than 1,200,000 shares, but nearly a third of it had been in Motors. The speculative spring fever of 1928 had set in. . . .

On Monday General Motors gained 2¼ points more, on Tuesday 3½; there was great excitement as the stock "crossed 150." Other stocks were beginning to be affected by the contagion as day after day the market "made the front page": Steel and Radio and Montgomery Ward were climbing, too. After a pause on Wednesday and Thursday, General Motors astounded everybody on Friday by pushing ahead a cool 9¼ points as the announcement was made that its Managers Securities Company had bought 200,000 shares in the open market for its executives at around 150. And then on Saturday the common stock of the Radio Corporation of America threw General Motors completely into the shade by leaping upward for a net gain of 12¾ points, closing at 120½.

What on earth was happening? Wasn't business bad, and credit inflated, and the stock-price level dangerously high? Was the market going crazy? Suppose all these madmen who insisted on buying stocks at advancing prices tried to sell at the same moment! Canny investors, reading of the wild advance in Radio, felt much as did the forecasters of Moody's Investors Service a few days later: the practical question, they said, was "how long the opportunity to sell at the top will remain."

What was actually happening was that a group of powerful speculators with fortunes made in the automobile business and in the grain markets and in the earlier days of the bull market in stocks—men like W. C. Durant and Arthur Cutten and the Fisher Brothers and John J. Raskob—were buying in unparalleled volume. They thought that business was due to come out of its doldrums. They knew that with Ford production delayed, the General Motors Corporation was likely to have a big year. They knew that the Radio Corporation had been consolidating its position and was now ready to make more money than it had ever made before, and that as scientific discovery followed discovery, the future possibilities of the

biggest radio company were exciting. Automobiles and radios—these were the two most characteristic products of the decade of confident mass production, the brightest flowers of Coolidge Prosperity: they held a ready-made appeal to the speculative imagination. The big bull operators knew, too, that thousands of speculators had been selling stocks short in the expectation of a collapse in the market, would continue to sell short, and could be forced to repurchase if prices were driven relentlessly up. And finally, they knew their American public. It could not resist the appeal of a surging market. It had an altogether normal desire to get rich quick, and it was ready to believe anything about the golden future of American business. If stocks started upward the public would buy, no matter what the forecasters said, no matter how obscure was the business prospect.

They were right. The public bought. . . .

And so it went on, day after day and week after week. On March 16th the ticker was thirty-three minutes late and one began to hear people saying that some day there might occur a five-million share day—which seemed almost incredible. On the 20th, Radio jumped 18 points and General Motors 5. On March 26th the record for total volume of trading was smashed again. The new mark lasted just twenty-four hours, for on the 27th—a terrifying day when a storm of unexplained selling struck the market and General Motors dropped abruptly, only to recover on enormous buying—there were 4,790,000 shares traded. The speculative fever was infecting the whole country. Stories of fortunes made overnight were on everybody's lips. One financial commentator reported that his doctor found patients talking about the market to the exclusion of everything else and that his barber was punctuating with the hot towel more than one account of the prospects of Montgomery Ward. Wives were asking their husbands why they were so slow, why they weren't getting in on all this, only to hear that their husbands had bought a hundred shares of American Linseed that very morning. Broker's branch offices were jammed with crowds of men and women watching the shining transparency on which the moving message of the ticker tape was written; whether or not one held so much as a share of stock, there was a thrill in seeing the news of that abrupt break and recovery in General Motors on March 27th run across the field of vision in a long string of quotations:

GM 50.85 (meaning 5,000 shares at 185) 20.80. 50.82. 14.83. 30.85. 20.86. 25.87. 40.88. 30.87. . . .

The Reserve authorities were disturbed. They had raised the rediscount rate in February from 3½ to 4 per cent, hoping that if a lowering of the rate in 1927 had encouraged speculation, a corresponding increase would discourage it—and instead they had witnessed a common-stock mania which ran counter to all logic and all economic theory. They raised the rate again in May to 4½ per cent, but after a brief shudder the market went boiling on. They sold the Government bonds they had accumulated during 1927, and the principal result of their efforts was that the Government-bond market became demoralized. Who would ever have thought the situation would thus get out of hand?

In the latter part of May, 1928, the pace of the bull market slackened. Prices fell off, gained, fell off again. The reckoning, so long expected, appeared at last to be at hand.

It came in June, after several days of declining prices. The Giannini stocks, the speculative favorites of the Pacific coast, suddenly toppled for gigantic losses. On the San Francisco Stock Exchange the shares of the Bank of Italy fell 100 points in a single day (June 11th), Bancitaly fell 86 points, Bank of America 120, and Union Security 80. That same day, on the New York Curb Exchange, Bancitaly dove perpendicularly from 200 to 110, dragging with it to ruin a horde of small speculators who, despite urgent warnings from A. P. Giannini himself that the stock was overvalued, had naïvely believed that it was "going to a thousand." . . .

But had the bull market collapsed? On June 13th it appeared to have regained its balance. On June 14th, the day of Hoover's nomination, it extended its recovery. The promised reckoning had been only partial. Prices still stood well above their February levels. A few thousand traders had been shaken out, a few big fortunes had been lost, a great many pretty paper profits had vanished; but the Big Bull Market was still young. . . .

4

During that "Hoover bull market" of November, 1928, the records made earlier in the year were smashed to flinders. Had brokers once spoken with awe of the possibility of five-million-share days? Five-million-share days were now occurring with monotonous regularity; on November 23rd the volume of trading almost reached seven millions. Had they been amazed at the rising prices of seats on the Stock Exchange? In November a new mark of $580,000 was set. Had they been disturbed that Radio should sell at such an exorbitant price as 150? Late in November it was

bringing 400. Ten-point gains and new highs for all time were commonplaces now. Montgomery Ward, which the previous spring had been climbing toward 200, touched 439⅞ on November 30. The copper stocks were skyrocketing; Packard climbed to 145; Wright Aeronautical flew as high as 263. Brokers' loans? Of course they were higher than ever; but this, one was confidently told, was merely a sign of prosperity—a sign that the American people were buying on the part-payment plan a partnership in the future progress of the country. Call money rates? They ranged around 8 and 9 per cent; a little high, perhaps, admitted the bulls, but what was the harm if people chose to pay them? Business was not suffering from high money rates; business was doing better than ever. The new era had arrived, and the abolition of poverty was just around the corner. . . .

The Federal Reserve authorities found themselves in an unhappy predicament. Speculation was clearly absorbing more and more of the surplus funds of the country. The inflation of credit was becoming more and more dangerous. The normal course for the Reserve banks at such a juncture would have been to raise the rediscount rate, thus forcing up the price of money for speculative purposes, rendering speculation less attractive, liquidating speculative loans, and reducing the volume of credit outstanding. But the Reserve banks had already raised the rate (in July) to 5 per cent, and speculation had been affected only momentarily. Apparently speculators were ready to pay any amount for money if only prices kept on climbing. The Reserve authorities had waited patiently for the speculative fever to cure itself and it had only become more violent. Things had now come to such a pass that if they raised the rate still further, they not only ran the risk of bringing about a terrific smash in the market—and of appearing to do so deliberately and wantonly—but also of seriously handicapping business by forcing it to pay a high rate for funds. Furthermore, they feared the further accumulation of gold in the United States and the effect which this might have upon world trade. And the Treasury had a final special concern about interest rates—it had its own financing to do, and Secretary Mellon was naturally not enthusiastic about forcing the Government to pay a fancy rate for money for its own current use. It almost seemed as if there were no way to deflation except through disaster.

The Reserve Board finally met the dilemma by thinking up a new and ingenious scheme. They tried to prevent the reloaning of Reserve funds to brokers without raising the rediscount rate.

On February 2, 1929, they issued a statement in which they said: "The Federal Reserve Act does not, in the opinion of the Federal Reserve Board, contemplate the use of the resources of the Federal Reserve Banks for the creation or extension of speculative credit. A member bank is not within its reasonable claims for rediscount facilities at its Federal Reserve Bank when it borrows either for the purpose of making speculative loans or for the purpose of maintaining speculative loans." A little less than a fortnight later the Board wrote to the various Reserve Banks asking them to "prevent as far as possible the diversion of Federal Reserve funds for the purpose of carrying loans based on securities." Meanwhile the Reserve Banks drastically reduced their holdings of securities purchased in the open market. But no increases in rediscount rates were permitted. Again and again, from February on, the directors of the New York Reserve Bank asked Washington for permission to lift the New York rate, and each time the permission was denied. The Board preferred to rely on their new policy. . . .

During the next month or two stocks rose and fell uncertainly, sinking dismally for a time in May, and the level of brokers' loans dipped a little, but no general liquidation took place. Gradually money began to find its way more plentifully into speculative use despite the barriers raised by the Federal Reserve Board. A corporation could easily find plenty of ways to put its surplus cash out on call at 8 or 9 per cent without doing it through a member bank of the Federal Reserve System; corporations were eager to put their funds to such remunerative use, as the increase in loans "for others" showed; and the member banks themselves, realizing this, were showing signs of restiveness. When June came, the advance in prices began once more, almost as if nothing had happened. The Reserve authorities were beaten. . . .

6

In September the market reached its ultimate glittering peak. . . .

Stop for a moment to glance at a few of the prices recorded on the overworked ticker on September 3, 1929, the day when the Dow-Jones averages reached their high point for the year; and compare them with the opening prices of March 3, 1928, when, as you may recall, it had seemed as if the bull market had already climbed to a perilous altitude. Here they are, side by side—first the figures for March, 1928; then the figures for September, 1929; and finally the latter figures translated into 1928 terms—or in other words revised to make allowance for intervening split-ups and issues of rights. (Only thus can you properly

judge the extent of the advance during those eighteen confident months.)

	Opening price March 3 1928	High price Sept. 3 1929	Adjusted high price Sept. 3 1929
American Can	77	181⅞	181⅞
American Telephone & Telegraph	179½	304	335⅝
Anaconda Copper	54½	131½	162
General Electric	128¾	396¼	396¼
General Motors	139¾	72¾	181⅞
Montgomery Ward	132¾	137⅞	466½
New York Central	160½	256⅜	256⅜
Radio	94½	101	505
Union Carbide & Carbon	145	137⅞	413⅝
United States Steel	138⅛	261¾	279⅛
Westinghouse E. & M.	91⅝	289⅞	313
Woolworth	180¾	100⅜	251
Electric Bond & Share	89¾	186¾	203⅝

One thing more: as you look at the high prices recorded on September 3, 1929, remember that on that day few people imagined that the peak had actually been reached. The enormous majority fully expected the Big Bull Market to go on and on.

For the blood of the pioneers still ran in American veins; and if there was no longer something lost behind the ranges, still the habit of seeing visions persisted. What if bright hopes had been wrecked by the sordid disappointments of 1919, the collapse of Wilsonian idealism, the spread of political cynicism, the slow decay of religious certainty, and the debunking of love? In the Big Bull Market there was compensation. Still the American could spin wonderful dreams—of a romantic day when he would sell his Westinghouse common at a fabulous price and live in a great house and have a fleet of shining cars and loll at ease on the sands of Palm Beach. And when he looked toward the future of his country, he could vision an America set free—not from graft, nor from crime, nor from war, nor from control by Wall Street, nor from irreligion, nor from lust, for the utopias of an earlier day left him for the most part skeptical or indifferent; he visioned an America set free from poverty and toil. He saw a magical order built on the new science and the new prosperity: roads swarming with millions upon millions of automobiles, airplanes darkening the skies, lines of high-tension wire carrying from hilltop to hilltop the power to give life to a thousand labor-saving machines, skyscrapers thrusting above one-time villages, vast cities rising in great geometrical masses of stone and concrete and roaring with perfectly mechanized traffic—and smartly dressed men and women spending, spending, spending with the money they had won by being far-sighted enough to foresee, way back in 1929, what was going to happen.

THE UNITED STATES AND THE WORLD

INTERNATIONAL ECONOMIC RELATIONS

BEGINNING about 1915, the United States became a creditor nation—private American investments abroad exceeded the holdings of foreigners in the United States—and the outflow of American capital continued as one of the prime characteristics of the golden nineteen twenties. Julius Klein (1886–), director of the U.S. Bureau of Foreign and Domestic Commerce during the Hoover administration, tells this story in his *Frontiers of Trade* (New York, 1929). Writing during the boom and as an official of a government committed to high protectionism, Klein remains unperturbed in the face of the dubious character of some of this financing—particularly of foreign government bonds—and of the inability, even through their invisible services, of foreigners to meet the service charges on those debts. American high tariffs checked imports; the result was, interest and dividends owed Americans on overseas investments were not paid for in goods. Those obligations, therefore, were simply added to the long-term credits—in securities and in direct holdings—that Americans were accumulating all over the world. When American bankers and investors were no longer willing or able to finance, or subsidize, our foreign trade in this fashion, American exports dropped sharply and the depression deepened. In 1928, Klein put such American claims on foreigners at ten or eleven billions. By the end of 1930, an official government estimate put them at fifteen billions.

Paul D. Dickens, of the Bureau of Foreign and Domestic Commerce, writing in 1931 in *A New Estimate of American Investments Abroad*, makes a detailed analysis of American holdings by regions and by "direct" and "portfolio" investments. Dickens defines "direct" investments to include corporate holdings in (1) American-controlled manufacturing and selling organizations, (2) stocks and bonds of foreign-controlled manufacturing and selling corporations, (3) purchasing agencies, (4) petroleum lands and petroleum refining and distribution facilities, (5) mining and smelting properties, (6) public utilities, (7) plantations. "Portfolio" investments are defined to include (1) foreign bonds publicly and privately offered in the United States, (2) the shares of foreign corporations that are owned in the United States, (3) bonds of American subsidiaries of foreign corporations, and of American corporations that lend abroad directly. Dickens says: "Portfolio investments are held primarily by individual investors residing in the United States and by insurance companies, investment trusts, and other financial institutions. The foreign security holdings of industrial and commercial corporations are considered as direct investments."

And further:

> Private long-term American investments in foreign countries at the end of 1930 amounted to between $14,900,000,000 and $15,400,000,000 (expressed in range figures because errors in such estimates are unavoidable). Their rapid growth is brought out clearly when the present total is compared with the estimates of investments in 1900 of $500,000,000 and in 1912 $1,902,500,000. In the last 18 years this country has increased its holdings abroad by about $13,268,000,000, or by about $737,000,000, a year, excluding, of course, the war debts to the United States Treasury and short-term investments.
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> The distribution of private long-term American investments abroad at the end of 1930, divided geographically and by major types, is estimated as follows:

PRIVATE LONG-TERM AMERICAN INVESTMENTS ABROAD, BY TYPES AND GEOGRAPHIC AREAS, AT END OF 1930

[In thousands of dollars]

Area	*Direct*	*Portfolio*	*Total*
Canada	2,048,787	1,892,906	3,941,693
Europe	1,468,648	3,460,629	4,929,277
Mexico and Central America	930,843	37,733	968,576
South America	1,631,105	1,410,821	3,041,926
West Indies	1,072,000	161,484	1,233,484
Africa	115,329	2,500	117,829
Asia	419,504	603,445	1,022,949
Oceania	154,594	264,700	419,294
Total	7,840,810	7,834,218	15,675,028
Deduct for international securities movement	.....	630,000	630,000
	7,840,810	7,204,218	15,045,028
Add for insurance company and bank capital	.....	.....	125,000
Estimated foreign investment at the end of 1930	.....	.....	15,170,028

The selection from Julius Klein's *Frontiers of Trade* (New York, 1929) is reprinted by permission of D. Appleton Century Co., Inc.

Though Protection did not become a political issue during the nineteen twenties, three tariff acts were passed, each raising duties to new heights and each evoking widespread protest both from American economists and from foreign countries about to lose their markets. Both groups were ignored by Congress and by administrations which were almost prepared to assume, along with an earlier and more naïve politician, that the tariff was only a local issue.

There can be no question, now, that as a result of tariff barriers the hindrances to normal world trade made the economic lot of Europe during the twenties difficult, and deepened and prolonged the depression of the thirties as the whole world—led by the United States—took the road of economic nationalism.

In the face of almost general disapproval on the part of economists and despite the unsatisfactory condition of America's balance of international payments, a Republican Congress, not content with the high duties of the Fordney-McCumber Tariff Act, in 1928 sat down to further tariff revision. In 1930, after a year and a half of discussion and with depression already upon us, there was enacted the Hawley-Smoot Tariff Act, incorporating the highest rates in American history. Foreign protests immediately were followed by retaliation from every quarter of the globe: and American goods and services were now confronted not only by heavy import duties but also by import licenses and quotas, exchange controls and closed trading blocs.

Lawrence B. Mann, staff member of the Foreign Policy Association, describes the early reactions to the Tariff Act of 1930 in the selection here reprinted. It appeared as Vol. VI, No. 15 (October 1, 1930) of the Information Service Reports of the Foreign Policy Association and is published by permission.

Frontiers of Trade

BY JULIUS KLEIN

CHAPTER VIII: AMERICAN INVESTMENTS ABROAD

THE TOTAL of our private loans in foreign countries is at present about thirteen or fourteen billion dollars. In other words, every man, woman and child in the country has a stake of $120 in these oversea interests, which is about six times the per capita amount in 1914. This, of course, is exclusive of the eleven billions of war debts owed to our Government. We have heard much in recent years of the transformation of the United States from a debtor to a creditor country, but the ex-

pression of that change in cold figures makes a truly astonishing picture. Just before the war broke out, our investments overseas totaled about two billions, and foreign investments in this country were estimated at about five billions. These foreign holdings here are now about three and a half billions and are gradually climbing as European savings increase and conditions become more stable.

In other words, our international financial balance has undergone a transformation since 1913 from the minus three billions into a plus ten or eleven billions.

But behind those figures there has developed a truly dramatic and immensely significant situation in our international trade balance, one that affects not simply bankers and economists but every industry and trade, indeed every individual in the land. . . .

These private investments of ours now yield annually about $740,000,000 in interest, which is one of the largest of that important group of *invisible items* which I discussed in the preceding chapter, and which are so vital in the balancing of our international bills. Incidentally, that figure collected by our bankers, without any audible indications of cancellation on their part, is more than three and a half times the $209,000,000 paid to our Government by European exchequers as interest on the much-discussed war debts. . . .

In the first place, it is obvious that the fourteen billions now invested abroad have been accumulating there for some years. Furthermore, a foreign loan is a credit, not actual currency shipped abroad. It finds its way overseas either in the form of merchandise shipped directly from our shores or in the shape of credit readjustments with other countries.

As for governmental control, it may be said that our Government does not exercise any such regulation nor does it presume to pass on the general soundness and economic merits of such loans. Any intrusion of governmental machinery upon such a problem would involve the injection of politics into one of the most highly dangerous fields. It would subject our Government to accusations from abroad on the score of "economic imperialism" to a degree hitherto undreamed of. The only relationship of our Government to this particular phase of the problem is that exerted through the State Department, which, as a result of conferences between the bankers and President Harding's administration in 1921, has taken the stand that the Government cannot look with favor on three types of loans:

1. Those for unproductive purposes, such as military expenditure or mere budget balancing. Advances of the latter type would be nothing but subsidies to inefficiency and slack fiscal methods.

2. Those to foreign raw-material monopolies which might exploit our consumers. Under this heading the administration has on various occasions expressed its disapproval of loans to the Franco-German potash cartel and to the Brazilian coffee monopoly. The bankers have alleged that this position did not prevent the potash and coffee interests securing adequate funds in Europe in which it was reported, indeed, that some American participation was actually arranged. Thus, they allege, the intentions of our Government were completely frustrated, and only ill will toward us was engendered in Brazil, Germany and France. Regardless of whether this was or was not the case, or whether enterprises operated with such loans would encounter our anti-trust laws (as happened in the Sielcken coffee case shortly before the war), it has been clearly demonstrated during the debates in Congress, and in the discussions in trade circles and among large consumer groups, that any direct American financing of such oversea monopolies would immediately arouse the bitterest resentment here and would be certain to stimulate legislation which might become most regrettably extreme in its reactions upon all of our oversea financing.

3. The administration disapproves of loans to nations that have not yet funded their war debts to the United States. This has, however, been rather broadly interpreted in the case of France and Greece.

In certain chronically anti-American circles abroad there has been a good deal of agitation and alarm as to the danger involved in the accumulation of overwhelming financial power in the hands of any one nation. This vast predominance of ours, it is felt, may be dangerous to the highly sensitive economic organisms of the world. The hysteria of such criticisms may be brushed aside as more or less obvious propaganda. It emanates largely from what Roosevelt called the "lunatic fringe," which is universal and infinitely more voluble than the great mass of sober-minded citizenry. The specter of this "menace of the American Moloch" disappears immediately when it is recalled that British investments before the war exceeded our present total by nearly 50 per cent. and yet there was no world-wide alarm over that situation. Even to-day British holdings in foreign countries exceed eighteen billion dollars, but one cannot discern any widespread denunciation of England as a "swollen, callous colossus of moneybags" or any of the other vituperative epithets

now being hurled at the United States. Nor is any alarm expressed as to the impossibility of the world's being able to meet the charges upon these British investments; nor was any embarrassment encountered in pre-war days when the purchasing power of money was far greater than we find it now.

Instead of being a peril in any degree whatsoever, the lending ability of our people has been and is to-day one of the most potent factors in the restoration and advance of the post-war world. As Mr. Hoover once said: "By contributing to peace and economic stability, by the loan of our surplus savings abroad for productive purposes, we can contribute to the elevation of the standards of living in foreign countries and the demand for all goods." In 1920, with reference to the economic demoralization of Europe, he pointed out that "there is only one remedy and that is by systematic permanent investment of our surplus in reproductive works abroad." . . .

Nearly $170,000,000 of American capital has been invested in Poland in the last ten years. These millions have gone into public utilities, which have not only profited American construction companies and equipment organizations very materially, but have also made profound changes in the well-being of the Polish people. The contributions thus effected toward better living and higher consumer demand—through improvements in street-car systems, municipal markets, gas plants, etc.—have all stimulated new purchasing activities and created markets for literally scores of American specialties—motion-picture films, household equipment, kitchen utensils, cheap automobiles—quite apart from the machinery and other heavier installations directly involved in the operations of American construction concerns.

The Germans have been, next to the Canadians, the largest borrowers in the American market, having secured about $900,000,000 here since the war. Much of this investment has been in industries frankly in competition with our own, but, as in the case of Poland, large sums have also gone into public utilities, which have directly stimulated consumer demand incident to better living conditions.

Our exports to Colombia and Venezuela averaged about twelve million dollars a year just before the war. In 1927 the total was almost eighty-five millions. It is true that much of this sevenfold increase (one of the largest recorded in any of our oversea markets) was accounted for largely by heavy shipments of oil-well machinery, piping and railway equipment. But there were also most significant increases in our sales of numerous minor specialties—cheap phonographs, antiquated radio sets, films, bicycles, motorcycles, etc.—which were directly due to the general expansion of prosperity and purchasing power resulting from the increasing wages paid by the large American oil companies and fruit plantations.

Here is a further illustration of this relation between loans and exports as applied to one specific undertaking, which is a type of evidence rather difficult to obtain: A large American organization, which has some eighty million dollars invested in its operations in a certain foreign country, has been importing into that country from the United States every year since the war an average of $3,700,000 worth of machinery, material, equipment, etc. This does not take into account the food, clothing and other articles imported for consumption by the concern's employees, whose purchases have, of course, been greatly stimulated by steady advances in wages. Another similar concern in the same field has imported from the United States in the course of nine years nearly fourteen million dollars' worth of merchandise.

In southern Norway there is a factory in which $15,715,500 dollars of American capital has been invested and which is turning out cheap fertilizer for the world's farmers.

A typical example of American investments in Canada, which have reacted powerfully upon our sales to our northern neighbor, is the ten million dollars put into one enterprise by our capitalists last year which has produced a whole new town and provided wages for hundreds of workers. This is just one of the reasons why Canada has for the first time become our best foreign market, passing her mother country in that respect, with a total purchase of our goods that exceeded $850,000,000 in the fiscal year 1927–28, or fifty million more than the United Kingdom is taking.

Of course, it would be absurd to allege that we have been impelled solely by altruistic ideas in these dealings. The private loans by American investors have been straight business transactions. Our people have put money into enterprises abroad because of the especially inviting yields or the terms of these loans. . . .

An important phase of this whole question is the problem involved in our increasing investments in branch factories in foreign countries. Considerable apprehension has been expressed of late in industrial and labor circles as to the sinister consequences of this development. In some isolated instances this alarm is perhaps justifiable. If we turn to England's experience, there can be no doubt that the establishment of textile mills in Brazil and jute factories in India have done ma-

terial damage to Lancashire and Dundee. There is a question, however, as to whether this oversea industrialization could have been avoided. In each case upon analysis it is revealed that special circumstances were responsible: high tariffs against finished goods in the case of Brazil, or the proximity of cheap labor and raw material in the case of India. British capital in both of these instances, therefore, took the only available course of attempting at least to control the oversea development rather than have it drift into competitive hands. In this manner the production has in some cases been confined to lines or markets in which competition with British products would not be so embarrassing.

In the case of our own industries, there have been numerous developments of this type. Our exports of shoes to several Latin-American markets have been considerably reduced through the development of native factories, but these in many instances have been under American control, and in several cases the American exporters affected are now doing a larger business with those markets in findings, supplies, etc., then they were previously in the finished product. This was also the experience with a well-known rubber company in its trade in raincoats and allied lines; the company is now making greater sales in rubberized cloth and other supplies for native industries in various South American countries than it enjoyed previously in the finished garments. There is an American branch factory in Japan which recently secured a large order for South America. This raised the cry of "cheap Oriental labor competing with American workmen." But on closer investigation it was evident that the American home plant could not have secured the order in any case as against European competition, and the success of the branch in Japan, therefore, was indirectly a distinct gain, in that it meant more demands from the branch for American supplies and equipment, to say nothing of the profits accruing to the parent house.

The industrialization of China has been causing some alarm in recent years because of abundant cheap labor. It has been feared that this would curtail our fabricated exports to that market. This, however, has by no means been the case. Our sales there have risen from $35,000,000 in 1913 to $102,000,000 in 1927—and that in spite of all the turmoil and civil war during the past decade. Chinese textile factories have made no appreciable headway against our Far Eastern cloth trade. For the most part their products are not in competition with ours but rather with lower grades produced by Japan and England.

One of the paramount issues in connection with the growth of our oversea investments has been the development of a policy of control by our bankers or industrialists to prevent unfavorable reactions on our own welfare. Such controls are known as "ear-marking"—namely, the stipulation that a part, perhaps all, of the proceeds of the loan shall be expended by the borrower in the lending country. This practice, though common in Europe, has made little headway here as yet. On one point, however, our manufacturers have insisted with some effect—namely, that when the proceeds of the loan are to be expended the specifications of the bids involved must be non-discriminatory. We have a right at least to an "even break," and our official agencies abroad have been especially vigilant to see that this is assured.

Ear-marking definitely restricts the buying freedom of the borrower and therefore discourages his recourse to such markets where it is actually imposed. Indeed, it has been the experience of some European bankers that the practice develops a definite feeling of resentment on the part of the borrower, which finds expression at times in very embarrassing fashion. Compulsory trading of this or any other sort never makes for that *mutual* satisfaction for both parties which is indispensable in successful modern business.

Our American investment bankers have been warned that unless they proceed warily in this field, with every precaution against the stimulation of undue foreign competition through such loans, they may destroy the American industries which, so to speak, are producing the very funds that are being used in the given loan or investment. Governmental control over such loans is obviously out of the question, as I have indicated above; the perils of such bureaucratic paternalism are too evident to require discussion. There are, however, other devices which are being suggested. In various European countries considerable use is being made of interlocking directorates; that is, the same executives sit both on the investment bank board and on that of the given industrial enterprise; consequently, the bank will be careful not to finance a foreign enterprise competing with the native industry controlled by the bank's officials. This was a conspicuous feature of Germany's oversea activities just before the war, and there are occasional evidences of the practice in our own recent experience in one or two South American countries.

The anxiety of American labor over this stimulation of oversea industry through American loans is beginning to find expression through the increasing ownership of shares among employees in

large enterprises with branches abroad, or with such prestige in financial circles as to command some respect among investment bankers.

Then there is the vital problem as to the payment by foreigners to us of the vast amounts of interest due on these ever-increasing loans. This sum totaled $740,000,000 in 1927, and the query has arisen as to whether we are hampering such payments through our tariff policy in defense of our own industries which compete with those whose products our foreign debtors wish to export to us. This apprehension has been expressed for years, but it ignores the fundamental fact that such international obligations are by no means necessarily settled through the *direct* interchanges of goods between debtor and creditor.

As I have indicated, the amount owed to us as interest on our investments is more than balanced by one item alone—namely, our tourists' bill abroad. So when some blue-spectacled prognosticator asks with alarm, "How are the poor foreigners ever going to pay such an enormous sum in annual interest to our American bankers?" we can truthfully reply that we are paying it for them when we take our pleasure jaunts or business trips abroad. Every dollar spent by the 500,000 American travelers who swarm in foreign countries each year, whether it be for opera tickets in Vienna or Cook's tours to Stratford, is a contribution toward the adjustment of amounts owed to us by foreigners.

This tourist item played a vital part in the recent discussions with France regarding the French war debt and her tariff policy on American merchandise. It was revealed that whereas the interchange of merchandise between the two countries was "unfavorable" to the French, since we sold them about $225,000,000 worth a year and bought from them less than $150,000,000 worth, nevertheless the largest single item on the Franco-American balance sheet was an invisible one very much in favor of France—namely, the $225,000,000 debt which we owed her for taking care of our tourists.

The position of the United States as the greatest investing nation in the world to-day is one of responsibility no less than of opportunity. It affords no basis for flamboyant jingoism or economic rantings. The great financial resources of our people are something to be utilized carefully, discreetly, without ostentation or undue aggression —with a just regard for the general welfare and for our own proper interests at home and in foreign lands. There should be no shortage of capital for domestic purposes, and it may be said with confidence that no such shortage impends or is in sight.

This vast fund of capital, which we are pouring into the pool of the world's business at the rate of four or five million dollars a day is an invaluable contribution to prosperity in general. And prosperity anywhere is "all to the good." It is something that no one nation can or should hope to monopolize. We do not gain from the presence of adversity or depression elsewhere. It is greatly to our interest in cold dollars and cents to have business booming in all parts of the world, to find ourselves surrounded by contented, busy neighbors. That is one of the surest guarantees of international order and goodwill. Political disturbances spring from economic unrest, from depression and misery. . . .

Foreign Reactions to the American Tariff Act

BY LAWRENCE B. MANN

Introduction

The tariff act of 1930, popularly known as the Hawley-Smoot tariff, became law on June 17, 1930, after a year and a half of lengthy hearings, protracted discussion in both houses of Congress, and protests by governments, chambers of commerce and agricultural associations of leading foreign countries. Widely conflicting statements have been made concerning the comparative height of this tariff, its cost to the American people, its effects on import and export trade, and the possibilities that it may result in retaliation on the part of foreign countries.

The world-wide interest in a piece of legislation which its supporters assert is purely domestic is explained very largely by the outstanding position of the United States in international trade and finance. The total value of commodities exchanged by the various nations has in recent years averaged about 35 billion dollars annually, of which the United States has supplied exports valued at about 5 billion dollars and taken imports valued at about 4¼ billion dollars. In other words, the United States furnishes about 15 per cent of the world's exports and takes more than 12 per cent of the total imports. It ranks first among the nations as an exporter of goods, and is second only to the United Kingdom as an import market. Furthermore, the government and citizens of the United

States have made foreign loans of a public and private nature during the past decade and a half which aggregate well in excess of 20 billion dollars. It is possible that a substantial increase in the American tariff will make more difficult the payment of the interest and principal of these loans.

The fact that only about 8 per cent of domestic production is exported and that imports form an even smaller proportion of consumption give the impression that foreign trade is of relatively small importance to the United States. Actually, however, the foreign demand for that proportion of agricultural and mineral production which is exported often determines the value of the entire output of the United States. This is particularly true in the case of cotton, wheat, and copper. Furthermore, exports have become of ever-increasing importance in the case of many types of finished manufactures, such as automobiles, moving pictures, electrical machinery, agricultural implements, and typewriters. On the other hand, imports of crude materials are a vital necessity for many of the largest industries. The United States is entirely dependent on foreign countries for rubber, silk, tin, coffee, cocoa, and many textile fibres, and is compelled to import a substantial proportion of the copper, petroleum, wood pulp, wool, sugar, furs, and hides and skins used by its industries.

Foreign trade is even more vital in the case of many foreign countries which do not have as large an area or as varied resources as the United States. It is necessary for them to import, and the purchasing power for these imports must be partly provided by exports. On account of its large population and high standard of living, the United States is the most important market for many types of commodities produced by these countries. It takes more than two-thirds of the exports of Mexico, Cuba, Colombia, and certain Central American countries, and from one-quarter to one-half of the imports of Brazil, British Malaya, Japan, Canada, Chile, Peru, and Venezuela. It is not surprising that a radical revision of the American tariff has caused grave concern in many foreign lands.

During the discussion of the Hawley-Smoot tariff, protests were received from more than 30 foreign nations in regard to changes in over 200 commodity classifications. These protests were usually inaugurated by foreign commercial or agricultural organizations, but in a number of cases were also reinforced by an official note from the government of the foreign country concerned.

The tariff act of 1930, in addition to encouraging upward tariff revisions in Canada, Cuba, Mexico, France, Italy, Spain, Australia and New Zealand and creating general irritation against the United States and American goods, has had a number of interesting by-products:

(1) It has resulted in several attempts to curtail imports of a number of important American products, such as automobiles, copper and moving pictures. It is impossible to estimate at the present time how far this movement will go, but it seems more likely to be successful in the case of consumers' goods, such as automobiles and moving pictures, than in the case of producers' goods, such as copper, cotton, and petroleum, which are usually not identifiable in their final form and are consequently less susceptible to boycott.

(2) The American tariff has been mentioned in a number of statements advocating the movement for a general European customs union as it is claimed that such a union would be in a better strategic position than individual countries in bargaining with the United States concerning rate concessions.

(3) The 1930 tariff act has also been cited in the United Kingdom and various British Dominions and possessions as an added reason for a system of British Empire preference. A United Empire party has been created in Great Britain; and Canada, Australia, New Zealand, Bermuda and other possessions have revised their tariffs in such a way as to encourage trade with the United Kingdom and discourage trade with foreign nations. . . .

This report will outline briefly some of the more important features of the new tariff act, the commodities and countries most affected by changes in duties, and the specific reactions of foreign countries to the passage of the act.

Analysis of the 1930 Tariff Act

The United States has for many years had a protective tariff—that is, tariff rates are fixed at levels sufficiently high to protect American producers from the competition of lower-cost foreign producers. This is in contrast with systems of tariff for revenue only, which make no attempt to equalize foreign and domestic costs of production. The United States tariff has a single column of rates which applies to imports from all foreign countries except Cuba, whereas practically all foreign nations have at least two columns of rates, the lower of which applies to countries with which they have "most-favored-nation" treaties and the higher to all other countries. Certain nations also have provisions in their tariff law for countervailing duties to be applied to imports from countries

which have raised a particularly high tariff barrier against their exports.

The tariff act of 1930 encompassed a somewhat less sweeping revision of duties than did the tariff act of 1922. This was not particularly significant in view of the fact that it was enacted by the same political party as the previous act, that there had been no drastic change in price levels between the passage of the two acts, and that the President, in his message of April 16, 1929 calling a special session of Congress, had specifically recommended that the revision of schedules other than that dealing with agricultural products should be "limited." According to a tabulation by the Tariff Commission, there were 3,221 dutiable items in the act of 1930 as compared with 2,840 in the act of 1922. Of 1,125 changes in rates, 890 were increases and 235 were decreases. Fifty items which had been on the free list became dutiable, while 75 items which had been dutiable were made free.

Calculations of the Tariff Commission indicate that the average ad valorem rates under the new law, based on statistics for 1928, are 41.57 per cent on dutiable articles and 16.01 per cent on free and dutiable articles combined. These average rates are somewhat higher than under either of the two immediately preceding acts, about the same as under the Payne-Aldrich and Wilson acts, and lower than under the McKinley and Dingley tariffs. The significance of these comparisons is very questionable, however, as there have been radical changes in the nature of American import trade during the past forty years; crude materials and semi-manufactured articles, most of which enter free of duty, have increased greatly in relative importance, while imports of foodstuffs and finished manufactures show a corresponding decline. Furthermore, shifts of items between the free and dutiable lists make comparisons of average rates under different tariff laws misleading.

The most drastic changes in rates under the act of 1930 were recorded in the agricultural schedule, which was raised to the highest average level in the history of the United States. But substantial increases were also shown in the average ad valorem rates in many manufactured articles in the following schedules—wool and manufactures, sugar, chemicals, cotton manufactures, and earthenware and glass.

The administrative features of the new tariff act are in the main similar to those of the previous act, although the powers of the Tariff Commission in regard to rate adjustments (the flexible clause) have been considerably broadened. . . .

Under the flexible clause of the act of 1922 the Tariff Commission in the course of seven years received 603 applications for investigations covering 375 commodities; it instituted 83 investigations covering 91 commodities, and completed 47 investigations covering 56 commodities. Rates were changed by Presidential proclamation in the case of 38 commodities (33 increases and 5 decreases), while no action was taken in the case of 18 commodities. As a rule, investigations in the past required about two years for completion, as it was necessary to hold hearings and conduct extensive inquiries into both the domestic and foreign costs of production.

Effects of the New American Tariff Policy Abroad

In order to determine what justification there is for foreign protests against the United States tariff it is desirable to have some idea of the comparative height of the tariff walls which surround the leading countries. Any entirely accurate comparison of the average height of different tariffs is of course impossible, owing to the differences in the commodities imported, in the classifications, and in the basis of rates. However, the Preparatory Committee for the World Economic Conference, in conjunction with the Secretariat of the League of Nations, made a careful study of this problem in 1926. For purposes of its study the Preparatory Committee of the League defined the height of a tariff as "equal to the average of the percentages which the duties imposed by any given country constitute of the values of the commodities which go to compose the whole catena of goods normally entering into international trade." Such averages or indices were computed by four different methods for 20 different countries for the years 1913 and 1925. The results obtained for 1925 by the most refined of these methods are indicated below.

Country	Index	Country	Index
Spain	41	Germany	13
United States	31	India	13
Argentina	22	Austria	12
Hungary	22	France	12
Poland	21	Sweden	12
Jugoslavia	20	Switzerland	10
Czechoslovakia	19	Belgium	9
Australia	18	Denmark	6
Italy	16	United Kingdom	5
Canada	15	Netherlands	4

According to these indices the United States tariff was higher in 1925 than that of any of the other countries studied, except Spain; its relative position, moreover, was the same in the results obtained under each of the other three methods used by the League of Nations. Russia and the

Baltic States also have very high tariff barriers, but these countries were not included in the League's studies and consequently cannot be ranked on a comparable basis. Since 1925 there have been increases in the tariff schedules of a number of the countries studied, but these were in most cases less drastic than the recent advance in the American tariff.

After making allowances for recent changes in rates, Spain continues to have the highest tariff level of the countries included in the survey of the League of Nations, while the United States ranks second in this respect.

Formal Protests

During the period of a year and a half that Congress spent in revising the tariff there was widespread agitation in foreign countries concerning the effects of the proposed legislation. In part, this agitation took the form of memoranda of foreign governments, transmitted through the Department of States, but there was also much unofficial protest voiced in foreign newspapers and periodicals; likewise there were threats of retaliatory tariffs and the boycott of American goods by commercial and agricultural associations in foreign countries.

Altogether, official notes of protest were received from more than 30 foreign governments and covering over 200 commodity classifications. These communications varied from mere notes of transmittal to solemn warnings of reprisal on the part of the government or people concerned.

The longest communications in regard to commodities affected by proposed changes in the tariff were received from the British Empire, and the duties protested affected the cotton and woolen textiles of England, the cashew nuts of India, the onions, celery, kale, beets, parsley and other vegetables of Bermuda, the sponges of the Bahamas, the wool, hides and skins, sausage casings, and pearl shells of Australia, and commodities raised in many other separate possessions.

Almost all of the other commercial nations protested duties which would affect their more important industries. In most of the memoranda an attempt was made to point out that the new duty was excessive in view of statistics of production costs in the protesting countries and the relative unimportance of the competition to United States industries. In a few cases it was pointed out that the industry protected was practically nonexistent in the United States and that, consequently, the tariff would impose an unnecessary burden on American consumers. There was little, if any, attempt to prove that the proposed duties would result in discrimination against the protesting countries.

It is questionable whether these formal protests of foreign governments had any appreciable effect on many of the rates specifically named. However, it is possible that the large number of these protests had some effect on the attitude of American financial interests and export industries toward the bill and tended to restrict the average increase in rates.

Two of the most severe foreign protests against proposed changes in the tariff schedules were made by the French lace-workers and the Swiss watchmakers. A sharp advance in lace duties was incorporated in the proposed tariff bill early in 1929 and this resulted in a parade of protest by 20,000 lace-workers at Calais and direct appeals by them to the American Ambassador. As a result, the schedule was reconsidered and the rates restored to their former level of 90 per cent.

In the case of the watches and watch movements changes were incorporated in the proposed tariff which would have increased duties between 400 and 500 per cent. These proposals led to the drawing up of resolutions of protest at a mass meeting of 15,000 clock and watch-workers at Bienne, while smaller meetings of popular protest were held in other Swiss towns. In this case also the result was a downward revision in the proposed rates.

Numerous less dramatic protests have been made against various rates in the new tariff by foreign chambers of commerce, manufacturers' associations, and agricultural associations. These have in many cases been accompanied by threats of reprisal in the form of cancellation of most-favored-nation treaties, retaliatory tariffs, and boycotts of American goods. . . .

Foreign Retaliation

The extent of actual retaliation which will result from the increase of American tariff rates prescribed by the act of 1930 is difficult to gauge, because most foreign governments deny that any action which they may take is intended as a reprisal, because there may be a number of motives involved in changes of foreign tariff rates, and because some of the most effective retaliation may result from intangible factors, such as increased sales resistance to American goods on the part of foreign consumers. Nevertheless, the new tariff has resulted already in several very obvious acts of retaliation as well as much irritation and anti-American feeling in many foreign countries.

Canada, Cuba, Spain, Australia, and New Zealand have already made sweeping tariff revisions

in 1930 which are of such a nature as to discourage imports from the United States, and Argentina and Mexico are considering substantial rate revisions. Furthermore, France, Italy and Mexico each have increased sharply their duties on one of their leading imports from the United States and there have been a number of minor rate revisions in other countries which seem to have been inspired by irritation against or emulation of the United States tariff. . . .

Canada

The mutual importance of friendly trade relations between the United States and Canada is indicated by the fact that in recent years Canada has been the leading foreign market for United States merchandise, and, conversely, the United States has been the most important market for Canadian goods. In 1929 American exports to Canada totaled about $950,000,000, while American imports from that country exceeded $500,000,000.

American imports from Canada consist largely of raw materials and semi-manufactured articles, while leading American exports are finished manufactures and fuel. Wheat appears both as an export and an import, but most of this grain is eventually shipped to Europe.

Agriculture is the principal industry of Canada and the drastic upward revision in rates on farm products in the new United States tariff has raised a storm of protest and ill-feeling. Although cattle is the only large item in the trade which is affected by the new rates, there are a multitude of advances on smaller items, such as halibut and potatoes from the Maritime Provinces, dairy products from Quebec, maple sugar and grain from the prairie provinces, and logs from British Columbia, the increased duties on which have caused anti-American feeling in all parts of the Dominion.

The Canadian Minister of Finance in a budget speech on May 1 announced the most drastic revision of the Canadian tariff which has occurred since 1907.

This revision, which was enacted into law by the Canadian Parliament on May 28, provided for decreases on 270 items and increases on 11 items under the British preferential tariff; decreases on 98 items and increases on 35 items under the intermediate tariff, which applies to countries having most-favored-nation treaties with Canada; and decreases on 82 items and increases on 87 items under the general tariff, which applies to the United States and other countries having no commercial treaties with Canada. The most outstanding feature of this new tariff schedule was the introduction of countervailing duties on potatoes, soups, live stock, fresh meats, cured and pickled meats, butter, eggs, wheat, flour, oats, oatmeal, rye, cut flowers and cast-iron pipes. The effect of these countervailing duties is automatically to increase the Canadian duty to the rate any country of origin imposes on imports from Canada, providing that rate is higher than the Canadian rate. Premier King of Canada stated on June 16 that these countervailing duties were imposed in order to show the United States that Canada desires to trade on equal terms, and that the purpose of the general revision of rates by Canada was to divert to the United Kingdom purchases of many types of goods previously bought in the United States.

As a result of the provision for countervailing duties, rates on a large number of agricultural commodities imported into Canada from the United States were raised on June 18, when the new United States tariff became effective. Potatoes, for example, had previously been free and now took a duty of 75 cents per hundredweight.

Tariff policies were much discussed during the election campaign in Canada in July 1930. This resulted in a decisive victory for the Conservatives, who opposed countervailing duties, but advocated higher tariff barriers against all other countries, including Great Britain and the other Dominions. The Conservatives obtained 138 seats in the House of Commons and have a majority of 33 over all other parties combined.

It is generally anticipated that the Conservative party will make a further upward revision of the tariff, but there is some dispute as to whether the revision will aim to exclude all imports or will foster trade with other parts of the British Empire at the expense of foreign countries. . . .

Argentina

Argentina has long been the leading customer of the United States in South America, although much less important than Brazil as a source of American imports. During 1929 exports to Argentina totaled $210,300,000, while imports aggregated $117,600,000.

Practically all of the leading imports from Argentina are either agricultural or animal products; consequently the rate advances intended to aid the American farmer adversely affected much of this trade. Duties were raised on two-thirds of the items shown in the table and the proportion of the total trade affected was even greater.

The large increases in duties on flaxseed, corn, and casein, three of the most important commodities in the trade, have particularly aroused the Argentine farmers. The rate on flaxseed was especially irritating, as it was fixed at a much higher

level than the Tariff Commission had indicated was necessary to place the American product on a competitive basis. The increased duty on corn was also considered entirely unnecessary, as practically no corn was imported into the United States under the previous rate. As a result, the Union of Agrarian Producers sent President Irigoyen a long note, pointing out that the duty on casein is more than the local price and that the duties on flaxseed and corn are nearly half the Argentine price; it urged that a new interpretation be given to the most-favored-nation clause of commercial treaties so that tariff concessions would be extended only to nations which grant similar advantages to Argentina.

The Argentine customs law empowers the President to increase existing duties upon products from countries which do not grant most-favored-nation treatment to or which discriminate against Argentine products; it also empowers him to grant reductions of duties upon articles which offer equivalent advantages to Argentine exports.

The Argentine Minister of Finance on May 5 appointed a committee of customs appraisers to draw up a new tariff, which is generally expected to embrace various duties affecting leading importers from the United States. Already regulations concerning imports of apples from the United States have been stiffened by the refusal to accept certificates of American state authorities in regard to their quality.

Distinct efforts have been made by various groups in Argentina to boycott United States goods. In this connection the Anglo-Argentine trade agreement of September 1929 is of special interest. This reciprocal agreement resulted from the visit to Argentina of an economic mission headed by Lord D'Abernon, and possibly represents an effort to divert trade from the United States. It provides that Argentina shall purchase from Great Britain materials to the value of 100,000,000 pesos to be used in modernizing and extending the state railroads, while Great Britain is to purchase from Argentina commodities of an equivalent value, principally grain, meat, and wool. The Argentine Rural Society in June sent a circular to all members, outlining the damage done to Argentine interests by the new American tariff and urging that they refrain from purchasing American products of any description. . . .

TWO FAILURES IN FOREIGN POLICY

THOUGH THE SENATE had refused to put the United States into the League of Nations and repeatedly rejected efforts to bring America into the World Court, the United States did not abandon the cause of world peace during the nineteen twenties. Instead of making itself party to the covenant of a general organization, with commitments that might be construed as "entangling alliances," America undertook to deal with specific questions. At least three times during the decade, the United States participated in conferences assembled to meet the dangers latent in competitive naval building and the Pacific problems so closely connected with it. That Pacific problem had two aspects: the rise of Japan as a possible rival of the Pacific colonial powers, and the effort of China to establish a free national life despite the pressure of disorganization within and aggression without.

Under the Imperial façade, the Chinese Empire had been crumbling since the Taiping Rebellion. After the Boxer uprising and the joint intervention of the Powers at the turn of the century, the Chinese Empire went through another uneasy decade. It was then replaced by Sun Yat Sen's republic, which stood confronted with the problem of reducing local feudal chiefs and of protecting China from the encroachments of foreign powers, particularly Japan. As a reward for joining the Allies in World War I, Japan claimed the former German concessions of Shantung and Kiaochow and a whole array of special privileges in China. Chinese protests, and the Western Powers' reluctance to see Japan become the major factor in Chinese economic life, finally forced Japan to drop her Twenty-One Demands, though dominance in China continued an implicit part of Japanese policy until the overt act of the invasion of Manchuria in 1931.

It was the spectacle of competitive armaments in a world at peace rather than Pacific questions alone that led to the calling of the Washington Conference of 1921–1922; but Pacific problems remained one of the major

topics on its agenda. In the fall of 1921, representatives of the United States, Great Britain, France, Italy, Japan, and China—and of the Netherlands, Belgium, and Portugal, because of their Pacific possessions—met to discuss disarmament and the preservation of peace. Since France insisted that land armaments be excluded from discussion, the conference concentrated on navies and Pacific issues. The United States proposed a naval holiday for capital ship construction, the scrapping of certain quantities of naval tonnage, and the establishment of a fixed ratio for naval building in the future. Secretary of State Hughes went further, suggesting a reduction of submarine and cruiser tonnage, but this met with no favor among the other powers. The conference did succeed in drafting a Five Power treaty fixing the ratio of capital ship strength at 5:5:3 for Great Britain, the United States, and Japan, and 1.67:1.67 for France and Italy.

On Pacific questions, the conference divided the former German possessions among Japan, Great Britain, Australia, and New Zealand; secured a Sino-Japanese treaty returning Shantung to Chinese jurisdiction; and allocated the German cables to the victors. More important, so far as China was concerned, were the Nine Power and the Four Power treaties. In the first, all the members of the conference pledged themselves to respect the territorial integrity of China and to maintain the Open Door not only for commerce but also for industry and capital investment. By the second, the United States, Great Britain, Japan, and France pledged themselves to respect each other's rights in their respective Pacific possessions and to submit points of difference beyond ordinary diplomatic adjustment to joint conference of the parties to the Four Power pact. This, incidentally, not only abrogated the Anglo-Japanese alliance in fact, if not in name, but also committed the United States to compulsory conciliation in Pacific disputes.

To Yamato Ichihashi, secretary to a leading member of the Japanese delegation to the disarmament conference, the results seemed to promise future peace. Ichihashi, in a review of the conference's work written as late as 1929, expressed the belief that even the problem of China might be solved without conflict among the major powers. Three years later, Japanese aggression had been renewed.

So far as naval armaments were concerned, hopes for reduction proved unwarranted: if capital ship construction was limited, the building of smaller units proceeded unchecked despite conferences at Rome in 1924 and at Geneva in 1927. Late in 1929, Great Britain invited the nations that had signed the Five Power Naval Treaty to meet at London for another discussion of naval armaments limitation. At London, the Mediterranean rather than the Pacific was the focus of trouble, the source of which lay in the clash of ambitions between France and Fascist Italy. At the outset the conference came close to failure when the French refused to admit Italy's claim for equality of tonnage in the lighter categories. The diplomacy of Dwight W. Morrow succeeded in preventing an actual break-up, and, again, the United States took the lead in attempting to relieve the nations of the burdens of competitive naval building. The treaty which it drafted provided for parity between Great Britain and the United States; the continuation of the capital-ship holiday until 1936; and new specific ratios for auxiliary vessels. By 1936, when the capital-ship holiday was ended, new construction by nonsigners Germany and Italy afforded the signatories the opportunity to inaugurate a fresh building race. Japan, also, had probably been going ahead secretly. In any case her fortification of the mandated Pacific islands, her attack on China in 1937, and the rearming of Germany on the European Continent alarmed America. The United States began to modernize and strengthen her navy. And thus failed the foreign policy of the nineteen twenties which assumed that world peace was possible by negotiation and without the acceptance of responsibility.

The selection here reprinted is from Ichihashi's *The Washington Conference and After*

(Stanford, Calif., 1928), and is published by permission of the Stanford University Press.

The limitation of naval armaments might spare the taxpayer the cost of competitive naval building, but, in itself, it was no guarantee against war. So long as war seemed a natural recourse to nations, some of them would be bound to turn to it to settle disputes. In 1926, Premier Briand of France had remarked that keeping the peace was a matter of psychology rather than the devising of international organizations: war had its roots in the fact that nations considered it a legitimate means of advancing their interests. Briand's comment caught the imagination of newspapermen, first, and then of many political figures. Among these was Frank B. Kellogg (1856–1937), the American Secretary of State in the Coolidge administration. Briand had originally proposed that the United States and France enter into a bilateral pact to renounce war as an instrument of national policy. Kellogg was interested, but in December, 1927, he went further and suggested that such a treaty be made multilateral. Kellogg pushed the matter energetically, the Pact of Paris was drawn up in 1928, and before long fourteen countries, including all the Powers except Russia, had signed it. On January 15, 1929, the United States Senate ratified the pact and on July 29, it was proclaimed to be in force.

On November 11, 1928, Kellogg made the public address reprinted here. America was surrendering no part of its sovereignty, joining no world organization to assure international peace; it was depending upon the moral force present in all people to guarantee comity among nations and security against aggression. A brief decade later, World War II had begun. Again, American foreign policy had failed.

Kellogg's address is reprinted from a pamphlet issued by the U.S. Government Printing Office (Washington, 1928).

The Washington Conference and After

BY YAMATO ICHIHASHI

CHAPTER XXII: THE PACIFIC CONFERENCE AND AFTER—CONCLUSIONS

THE SURVEY in the preceding pages makes it clear now, it is hoped, that the Far Eastern and Pacific Conference concerned itself primarily with the problems of China, involving international interests and therefore calling for their solution by international agreements. We have traced the causes internal and external which brought these problems into existence; we have sketched briefly the history of Chinese foreign relations, which is divided by Dr. Morse into three periods: He calls the first period, embracing the years between 1834 and 1858, the "Period of Conflict"; the second, between 1858 and 1895, the "Period of Submission"; and the last, between 1895 and 1911, the "Period of Subjection." The writer added that the years following the downfall of the Manchu Dynasty constituted a continuation of the last period. We saw in the beginning of this third period the rise of a new power; Japan became a factor to be reckoned with in Far Eastern international affairs. This fact tended to complicate the already complicated inter-relations of the Western nations interested in China. These circumstances produced a situation in which international rivalries, jealousies, distrust, and antagonism ran rampant. These dangerous tendencies were rendered more so by Chinese officials, many of whom were willing to sacrifice their national interests for their personal profit. What happened during the Sino-Japanese war of 1894–95 and immediately after will elucidate this fact for anyone who is not very familiar with the history of Chinese diplomacy. China tried to win the war by involving the Western nations interested in her. A triple intervention resulted, which forced Japan to retrocede some of the fruits secured by the Bakan Treaty. But China did not escape paying the price of this diplomatic victory over the Japanese; in fact, she was subjected to aggression upon aggression by the Western powers, and even her very existence was threatened. These Western aggrandizements are in no way to be justified, but for them the Chinese officials must be held, in part, responsible.

Japan watched these developments with a keen interest, and she soon decided to imitate the con-

duct of Western powers in her relations with China. She joined the international expedition against the Boxers; she formed an alliance with Great Britain; she fought and defeated Russia; she was now a full-fledged Great Power. But the West began to apprehend this aggressive Asiatic nation, and, when she proved herself so successful in her economic enterprises in South Manchuria, Europe and America became hostile to her. Japan was severely criticized by her Western colleagues for doing what they were doing; she was vehemently charged with violating the sacred open-door principle. In short, she was made the scape-goat for all the ills of the Sick Man of the Far East. Her blunder in 1915 proved conclusively to the West that she was the devil incarnate.

Be that as it may, when the Washington Conference was convoked "there existed with regard to the Far East causes of misunderstandings and sources of controversy which constituted a serious potential danger." These difficulties centered about China. At the conference the interested powers faced China's problems sympathetically with a view to helping her, but the delegates were forced to realize that their Chinese colleagues often became too eloquent over their "Bill of Rights." The foreign delegations preferred to see China seeking and not demanding; nevertheless, they granted many and unparalleled concessions to her. The most important of these concessions related to the tariff. The treaty signed at Washington by the nine powers became operative two months later without ratification. It provided for revision of the tariff into an effective 5 per cent, which would enable China to secure an extra revenue of $17,000,000 silver on the basis of the 1920 customs revenue. It also provided for a surtax of 2½ per cent ad valorem, which would enable her to collect about $27,000,000 silver extra. Furthermore, it provided for a special surtax on luxuries at 5 per cent ad valorem, which would enable her to gain $2,000,000 more, or a total additional revenue of about $46,000,000 silver; on this basis, the new tariff would yield about $110,000,000 silver, or an increase by 70 per cent. The treaty further provided for future revisions of the tariff in order that China might enjoy the fruit of effective rates. According to a stipulation of the treaty, the Revision Commission met at Shanghai in March 1922 and put the revised tariff in force on January 17, 1923. The proposed conference on likin and surtax, however, was delayed by France because of her Boxer indemnity controversy with China. When this difficulty was settled, she and Italy ratified the treaty on April 2, 1925, and the conference was summoned on October 26, but it failed because of the Chinese attitude. Despite this fact, the various factions in China levied and collected the surtax, causing some diplomatic complications. Nevertheless, the powers affected by these high-handed acts seem to have taken rather a tolerant attitude, and it is hoped that a proper solution can be found when a stable government is established in that chaotic country.

Equally important was the open-door treaty. By it the famous open-door principle was redefined and given a legal sanction. It guaranteed the maintenance of the principle in future international dealings in China because under it the signatory powers pledge themselves to abide by that principle. It further provided against the future creation of spheres of influence. It also provided against the violation of China's rights as a neutral nation. But China was made responsible to abide by the open-door principle also; she was not to make unfair discrimination as regards her railroad charges. Finally, the treaty created an international board "with special reference to their [signatory powers'] general policy, designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and other Powers upon the basis of equality of opportunity." These stipulations constitute a contribution toward emancipation of China from further foreign encroachments; the treaty undoubtedly marks a great progressive step toward improving Far Eastern diplomacy.

The question of Shantung and the Twenty-one Demands involved Japan and China alone, but were not without interest to the conference. The Shantung issue was settled by a treaty signed at Washington, though not as a part of the conference. Under it Japan restored all the rights and privileges formerly held by the German Government and later transferred to Japan by the Treaty of Versailles. On the other hand, China acknowledged the validity of the Sino-Japanese treaty of 1915, the Sino-Japanese agreement of 1918, and the Treaty of Versailles. In other words, the technicality with which China had been fighting Japan since the Peace Conference at Paris was thrown into the junk-pile once for all by the Washington Treaty. On the Twenty-one Demands Japan offered several modifications, but China wanted a complete renouncement. The conference, the majority of whose participants were signatories of the Treaty of Versailles, could not do more than accept the offers of Japan. China was defeated once more as she had been in Paris. But when the original Russian lease of the Liaotung Peninsula expired in 1923, the Chinese Govern-

ment undertook to notify Japan of that fact, but the latter paid no attention to it. Japan is likely to remain in that region for many years to come.

Aside from these treaties, several resolutions were adopted by the conference whereby the powers pledged themselves to discontinue to exercise rights and privileges which they had assumed to enjoy. The United States, Great Britain, France, and Japan maintained their post offices in China, but these were completely withdrawn by January 1, 1923. The powers agreed to withdraw their armed forces stationed in China "without the authority of any treaty or agreement whenever China shall assure the protection of the lives and property of foreigners in China." Accordingly Japan withdrew her troops of this category from China. The powers acceded to China her request that the use of their radio stations authorized in China would be confined to official messages, while their unauthorized ones would be transferred to her. They pledged themselves to make public their treaties, conventions, exchange of notes, or other international instruments, made in the past concerning China. They further agreed to notify each other of their future treaties, conventions, and so forth, with China. In this connection, it should be mentioned that China demanded that "the Powers agree not to conclude between themselves any treaty or agreement directly affecting China or the general peace in the Pacific and the Far East without previously notifying China and giving her an opportunity to participate." The British delegate reminded the Chinese that their demand "went a good deal beyond any existing practice of international law." The Japanese delegate recalled that "the sovereign nations had the right of concluding any treaty or agreement between themselves." But a resolution was adopted whereby the powers would refrain from concluding treaties that would infringe the open-door principle.

The settlement of the Chinese Eastern Railway was left to diplomatic channels; meanwhile the powers reserved "the right to insist hereafter upon the responsibilities of China for performance or non-performance of the obligations toward the foreign stockholders, bondholders, and creditors of the Chinese Eastern Railway." For the future of China's railways, the powers expressed their hope for the ultimate "unification of railways into a railway system under Chinese control with foreign financial and technical co-operation." Such were the altruistic contributions of the conference toward helping China, but the conference reminded China of her own responsibilities. For instance, it gave China concrete advice that she should reduce her army because it had been causing severe drain upon her notoriously bankrupt treasury. This advice was given when the powers agreed to raise China's tariff, and was later put in the form of a resolution, but this was not to be interpreted as an interference with Chinese domestic affairs.

Of course, China demanded that the powers relinquish their extraterritorial rights in China "at the end of a definite period." In response, the conference created an international commission to look into the actual state of affairs, to advise the powers what they might do with regard to their extraterritorial rights. Obviously one could not draw an optimistic conclusion as to their abrogation; the actual conditions in China did not warrant such a conclusion. At any rate, China was obliged to ask the powers to postpone the proposed investigation into the actual state of administration of justice. The Commission was finally convened on January 12, 1926; it continued its session until May 5, when the Commissioners started a tour of inspection through several provinces. Its report was far from encouraging; it recommended certain modifications to minimize difficulties arising from the system of extraterritoriality; it advised the Chinese Government to effect certain reforms in its laws and legal institutions, and it did not favor the relinquishment of the system.

Finally, the Chinese demanded that the leased areas and spheres of influence in their country be abrogated, and that arms and ammunition be not imported into their territory. The conference was unable to agree on any of these demands. Thus, aside from the leasehold of Kiaochow, all the leased areas remain intact. The powers agreed not to create new spheres of influence, but the existing ones remain untouched. Italy prevented any agreement on arms embargo. So much then for what the conference succeeded or failed to achieve on behalf of China.

The Siberian question loomed large at Washington, but its main issue was whether Japan would withdraw her troops from Siberia. The Japanese delegate declared that Japan would withdraw as soon as she could, and this pledge the Japanese Government fulfilled. Likewise the question of Yap was settled by a treaty between the United States and Japan.

We have traced the circumstances leading up to the summoning of the Washington Conference; we have examined the matters discussed by the gathering; and we have analyzed the achievements made by the participating nations. We are now ready for a critical estimate of this international conference, and will begin by presenting the offi-

cial estimates of its accomplishments. President Harding in closing the gathering said, among other things:

"This Conference has wrought a truly great achievement. It is hazardous sometimes to speak in superlatives, and I will be restrained. But I will say, with every confidence, that the faith plighted here today, kept in national honor, will mark the beginning of a new and better epoch in human progress."

Similar sentiments were expressed by the various representatives of the other participating nations. Later the American delegation made its report to the President in which we find the following estimate:

"The sum total of the action taken by the Conference regarding China, together with the return of Shantung by direct agreement between China and Japan, the withdrawal of the most unsatisfactory of the so-called 'Twenty-One Demands,' and the explicit declaration of Japan regarding the closely connected territory of Eastern Siberia, justify the relation of confidence and good will expressed in the Four-Power Treaty and upon which the reduction of armament provided in the Naval Treaty may be contemplated with a sense of security." . . .

Nearly eight years have elapsed since the memorable November 12, 1921, and we have an opportunity to evaluate the conference in a better perspective, especially in view of the crowded events which have followed its close. On the Washington arms treaties we have already presented our view that, in spite of the general lamentation of naval experts of the various signatory powers, these agreements have already contributed toward a betterment of the world. On the post-conference armament development, and, in particular, the failure of the three-power naval conference at Geneva, we have stated that our position is one of optimism. The nations are being educated as to the fallacy of upholding their dignity by arming themselves to the teeth.

But in China chaos has continued to prevail, and the powers have been forced to face difficulties just as before the conference. Patient, watchful waiting seems to be the only way out of the situation. It has been perhaps fortunate for China that the powers have no longer approached her with a united front as in the past; she has had and has an opportunity to deal with each nation separately. If she proceeds patiently and wisely, there is no reason why she should not be able to free herself from the disabilities imposed on her by foreign powers, but, in order to do so successfully, she must develop and maintain a unified, stable government. Opinion is divided on the recently established Nationalist Government; it may hold its own or it may collapse; nobody can prophesy its outcome one way or the other. Nevertheless, this Government secured the recognition of the American Government and a number of others, and if China succeeds in this respect with all the other nations vitally interested in her, we may justly hope for the better. Yet optimism is not warranted, and pessimism seems prejudicial to Chinese interests; it is for China to prove her case.

Aside from the very gloomy state of affairs in China, the general situation in Pacific international affairs shows a considerable improvement. Consider Japan's relations with America, the British Empire, France, and Russia. The only sore spot still left unhealed in friendly relations between America and Japan is the discriminatory exclusion of Japanese from the United States. The deep resentment of the Japanese against this treatment is not fully appreciated in this country; it is a question which has to be tackled sooner or later. The British and the Japanese have been getting along with no deterioration in their international relationship despite the termination of the Anglo-Japanese Alliance; Australia, once very suspicious of Japan, is now friendly. Likewise Japan enjoys amicable relationships with France and Russia. Of late much has been said on Anglo-American antagonism, and on European hostility against America, but when their relationships are surveyed from the Pacific standpoint, there is no substantial ground for any real danger. Perhaps the recent Pact of Paris will facilitate in the maintaining of general peace in the Pacific region. The Washington Conference ushered in an era of peace; it is for the nations to continue it. The peoples of all the nations bordering the Pacific are anxious to maintain peace, as is clearly attested by their organized international efforts to learn to cooperate in solving their problems, the most conspicuous example being the Institute of Pacific Relations.

The Settlement of International Controversies by Pacific Means

BY FRANK B. KELLOGG

IN THIS PERIOD of great progress in cordial understanding between nations, I am pleased to accept your invitation to discuss the steps taken by the United States, in collaboration with other nations, to advance amicable relations, to remove the causes of war, and to pledge the nations solemnly to renounce war as an instrument of their national policy and adopt instead the principle of the settlement of all disputes by pacific means. No more fitting time could be chosen for this peace movement than the tenth anniversary of the signing of the Armistice which brought to a close the greatest war, the most appalling catastrophe of all the ages.

The best way to abolish war as a means of settling international disputes, is to extend the field of arbitration to cover all juridical questions, to negotiate treaties applying the principles of conciliation to all questions which do not come within the scope of arbitration, and to pledge all the nations of the world to condemn recourse to war, renounce it as an instrument of international policy, and declare themselves in favor of the settlement of all controversies by pacific means. Thus may the illegality of war be established in the world as a principle of international law.

There is one other means, which can be taken by governmental authorities and also by private organizations like yours throughout the world, and that is to inculcate into the minds of the people a peaceful attitude, teaching them that war is not only a barbarous means of settling disputes but one which has brought upon the world the greatest affliction, suffering, and disaster. If the people are minded that there shall be no war, there will not be. Arbitration is the machinery by which peace may be maintained. It can not function effectively unless there is back of it a popular will for peace.

I can not go into detail concerning all the steps which have been taken to extend the principles of arbitration and conciliation as a part of the machinery for the maintenance of peace. In a general way, I can say that when I came into office I found that on account of the war many of our arbitration treaties and treaties of amity and commerce had lapsed and that many of the boards of conciliation under the Bryan treaties had become incomplete or vacant through death or resignation. These boards have been filled and there are now in force 19 of the original Bryan treaties, among the signatories being included many of the principal nations of the world. We have already negotiated five new treaties and are negotiating many more. We have negotiated with many countries a new arbitration treaty for the settlement of all juridical questions which is an advance over the old form of treaty. In Central and South America practically all of the countries have signed and ratified a general conciliation treaty, to which the United States is a party. Under this treaty, in the event of failure to settle a dispute by diplomatic means or arbitration, the signatory nations agree to submit it to boards of conciliation for examination and report and not to go to war for a reasonable time pending such examination. . . .

Arbitration and conciliation are appealing more and more to the imagination of the peoples of all nations. I deem this movement of surpassing importance in the advancement of world peace. When all nations come to the conclusion that their disputes can best be settled by diplomatic means and, when these fail, by arbitration or commissions of conciliation, the world will have made a great step forward. I realize that treaties of arbitration and conciliation have existed for many years and that in spite of them there occurred the greatest war of all history. But this should not be a cause of discouragement, because to-day world sentiment is stronger for such means of settling international disputes than ever before. I realize also that there are many political questions which can not be arbitrated, although they may be settled by conciliation. I know that national jealousies and ambitions and racial animosities often are the causes of war. These causes of conflict can be eliminated through education, through the development of tolerance, and through the creation of an effective desire for peace.

In addition to these means of insuring universal peace, I know of but one other step, and that is a treaty solemnly pledging all the nations of the earth to condemn recourse to war, to renounce it as an instrument of their national policy toward each other, and solemnly to declare that the settlement of international disputes, of whatever nature or of whatever origin they may be, shall never be sought except by pacific means. This leads me to the discussion of the multilateral antiwar treaty lately signed in Paris.

As you know, the original suggestion of this movement came from Monsieur Briand, Minister of Foreign Affairs of France, in a proposition to the United States to enter into a bilateral treaty with France to abjure war as a means of settling disputes between them. The American Government believed that this grand conception should be extended to all the nations of the world so that its declaration might become a part of international law and the foundation stone for a temple of everlasting peace. I need not discuss the details of this negotiation, which lasted more than a year. All notes exchanged between the nations upon this subject were published from time to time as they were sent by the various powers. It seemed clear that no treaty of such world-wide importance, so affecting the peoples of all nations, marking so great a forward step, could be taken without the support not only of the statesmen but of the press and the people of the world themselves, and, as you know, the multilateral antiwar treaty was negotiated in the blazing light of full publicity. . . .

In the negotiation of this treaty I had the hearty cooperation of the statesmen of other countries, of President Coolidge, of statesmen of all parties, and of publicists throughout the United States. It was not a political move. I consulted with Senators and Representatives and public men, the sanest and wisest of our time, and I can say without the slightest doubt that the treaty meets the matured judgment of the people of the United States.

It was an impressive sight when representatives of 15 nations gathered around the historic table in the French Foreign Office and solemnly pledged their governments before the world to renounce war as an instrumentality of their countries, agreeing to settle all international disputes by pacific means.

The treaty is a simple and plain declaration and agreement. It is not cumbered with reservations and conditions stipulating when a nation might be justified in going to war. Such a treaty, if attempted, would fail because of the complexity of national aspirations and the wide difference of conditions. It contains but two articles, as follows:

"ARTICLE 1. The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

"ARTICLE 2. The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

In the course of the discussion, France raised the question of whether the proposed treaty would in any way conflict with the obligations of the Locarno treaties, the League of Nations, or other treaties guaranteeing neutrality. My reply was that I did not understand the League of Nations to impose any obligation to go to war; that the question must ultimately be decided by each country for itself; that if there was any similar obligation in the Locarno treaties, the United States would agree that all of the powers parties to the Locarno treaties should become original signatories of the present treaty. Belgium, Poland, and Czechoslovakia therefore were brought in as original parties because they were the only signatories to the Locarno treaties outside of the nations included in the negotiations of the antiwar treaty. The following countries were parties to the Locarno treaties: Great Britain, France, Belgium, Germany, Italy, Czechoslovakia, and Poland. The treaty contained a clause undertaking not to go to war, and if there was a flagrant violation by one of the high contracting parties, each of the other parties undertook immediately to come to the help of the party against whom such violation or breach was directed. It, therefore, was simply a matter of law that if any of the parties to the Locarno treaties went to war in violation of that treaty and were at the same time parties to the multilateral treaty, they would violate this treaty also; and that it was a general principle of law that if one of the parties to a treaty should violate it, the others would be released, and would be entirely free and under no obligation to take any action unless they saw fit.

For these reasons the Locarno powers became original signatories, and all of the nations agreed that under these circumstances no modification of the present treaty was needed. It was my expectation that if the treaty was signed, it would be readily adhered to by many, if not all, of the other nations. My expectations have been more than fulfilled. Up to the present time 58 nations have either signed the treaty as original parties, or have adhered to it or have notified the Department of their intention to adhere to it. It is my belief that all the nations of the world will adhere to this treaty and make it one of the principles of their national policy. I believe that this is the first time in history when any treaty has received the approval of so many nations of the world.

There are no collateral reservations or amendments made to the treaty as finally agreed upon. During the negotiation of this treaty, as in the case of other treaties, questions were raised by

various governments and discussed, and in many of my notes I explained the legal effect or construction of the treaty. There is nothing in any of these notes, or in my speeches sent to the signatory powers during the negotiations, which is inconsistent with, or changes the meaning of, the treaty as finally signed. Finally the countries were satisfied that no modification of the treaty was necessary to meet their views. . . .

What were the benefits to be furnished? An unconditional agreement not to go to war. This is the recognition of a general principle that if one nation violates the treaty, it is deprived of the benefits of this agreement and the other parties are therefore necessarily released from their obligations as to the belligerent state.

I have seen from time to time claims, on the one hand, that this treaty is weak because it does not provide the means for enforcing it either by military or other sanctions against the treaty-breaking state and, on the other hand, that through it the United States has become entangled in European affairs and, while under no express obligation, is under moral obligation to join other nations and enforce the treaty by military or other assistance. Neither of these positions is correct. I know that men will differ on the question of whether it is better to provide sanctions or military agreements to punish a violator of the treaty or military alliances to enforce it. But whatever the merits of this controversy may be, as I have already said, I do not believe the United States or many nations in the world would be willing to submit to any tribunal to decide the question of whether a nation had violated this treaty or irrevocably pledge themselves to military or other action to enforce it. My personal opinion is that such alliances have been futile in the past and will be in the future; that the carrying out of this treaty must rest on the solemn pledges and the honor of nations; that if by this treaty all the nations solemnly pronounce against war as an institution for settling international disputes, the world will have taken a forward step, created a public opinion, marshaled the great moral forces of the world for its observance, and entered into a sacred obligation which will make it far more difficult to plunge the world into another great conflict. In any event, it is not at all practical for the United States to enter into such an obligation.

It has also been said that the treaty entangles us in the affairs of Europe. I can not understand why such an argument should be made. It no more entangles us in the political affairs of foreign countries than any other treaties which we have made and if, through any such fear, the United States can not take any step toward the maintenance of world peace, it would be a sad commentary on our intelligence and patriotism. But, it is said, we are under moral obligations, though not under binding written obligations, to apply sanctions to punish a treaty-breaking state or to enforce its obligations. No one of the governments in any of the notes leading up to the signing of this treaty made any such claim, and there is not a word in the treaty or in the correspondence that intimates that there is such an obligation. I made it perfectly plain, whatever the other countries might think, that the United States could not join in any such undertaking. In the first speech I made on the subject, which was afterwards circulated to the nations, I said: "I can not state too emphatically that it (the United States) will not become a party to any agreement which directly or indirectly, expressly or by implication, is a military alliance. The United States can not obligate itself in advance to use its armed forces against any other nation of the world. It does not believe that the peace of the world or of Europe depends upon or can be assured by treaties of military alliance, the futility of which as guarantors is repeatedly demonstrated in the pages of history." I believe that for this same reason Great Britain and some of the other nations of Europe rejected the treaty of mutual assistance. Whether the Locarno treaties will be construed as agreements to apply sanctions, I can not say; but, whether they are or not, I do not believe that it is possible to enforce such a treaty. I know of no moral obligation to agree to apply sanctions or to punish a treaty-breaking state unless there is some promise to do so, and no one can claim that there is such a promise in this treaty. . . . I, for one, believe the United States has always had a deep interest in the maintenance of peace all over the world. Why should not our Government and our people feel a deep interest in this question? In modern times no great war can occur without seriously affecting every nation. Of course the United States is anxious for the peace, prosperity, and happiness of the people of Europe as well as of the rest of the world. Because we did not approve of the Treaty of Versailles and the League of Nations in all respects, it has been assumed by some that we no longer take any interest in Europe and world affairs. I, for one, do not accept this as a just estimate of our national character and vision.

By some this grand conception of a world pledge for peace is considered visionary and idealistic. I do not think that all the statesmen of Europe and of the world who have solemnly pledged their nations against the institution of war can be

called visionary idealists. Idealists they are, of course. Idealists have led the world in all great accomplishments for the advancement of government, for the dissemination of learning, and for the development of the arts and sciences which have marked the progress of this great growing age. To-day probably more than at any time in recorded history, there is a longing for peace—that we may not again go through the horrors and devastation of a world war. I am sure that the people of this country are willing to try this last and greatest step, the solemn pledge of peoples and of nations. I can not believe that such a declaration, entered into, not in the frenzy of public excitement but in the cool deliberation of peoples, can fail to have a world-wide moral effect. I believe that this treaty is approved by almost unanimous sentiment in the United States and in the world. Such approval means advancement in the ideals of government and of civilization. . . .

TWO SUCCESSES IN FOREIGN POLICY

THE INTERVENTION in Latin America that Theodore Roosevelt had started by his rewriting of the Monroe Doctrine was continued by William Howard Taft and not terminated by Woodrow Wilson. Wilson's ambiguities about nonrecognition only succeeded in arousing ill will, particularly in Mexico, where he had landed troops and whose revolutionary government he refused to recognize.

The upheavals which racked Mexico during this period were part of the revolt against the domination of foreign interests in Mexico's economic life and the concentration of land ownership at the expense of the Indian villages. That revolt found institutional expression in Article 27 of the Mexican Constitution of 1917. By its terms, subsoil deposits, including oil, were claimed by the government; the foreign acquisition of Mexican resources was restricted; and Mexican church properties were nationalized. When the constitution was implemented by the oil law of 1925 (requiring all concessionaires to accept fifty-year leases in lieu of their perpetual grants; to agree to abide by Mexican law; and to refrain from asking protection by their home governments) Americans demanded that the United States intervene. Formal diplomatic relations were maintained, but both parties stood on their rights under international law while Mexican credit declined and American investors suffered.

The Coolidge administration resisted the demands for armed intervention. Instead, in 1927, soon after the Mexican government had begun to enforce the anticlerical as well as the economic clauses of Article 27, President Coolidge appointed his Amherst classmate, Morgan partner Dwight W. Morrow (1873–1931), ambassador to Mexico. Morrow's unconventional diplomacy and his willingness to assume the goodwill and sincerity of the Mexican government bore fruit. Here were to be found the beginnings of the later spectacularly successful "Good Neighbor Policy." For his predecessor's barrage of disquisitions on international law, Morrow substituted the attitude which shows so clearly in this, his first report to his Secretary of State. Formal diplomacy had done no more than stiffen Mexican intransigence. Morrow ceased dispatching notes. Instead, he dealt with Mexican officials as men willing to be as reasonable as he. In the case of the oil law of 1925, he suggested the legal approach: rather than propose legislative repeal of the act, an outward and visible sign of submission to foreign protest, he urged the early adjudication of test cases then before the Mexican Supreme Court. President Calles's assurance that the Court would reject retroactive decrees marked a significant victory for Morrow's type of negotiation. In like fashion, Morrow proceeded to deal with Calles directly on the agrarian issue and on the problem of reconciling the Mexican government and the Vatican.

In this way, Morrow laid a firm foundation, for he indicated that a policy of confidence and mutual accommodation was the only practical alternative to force. In June, 1930, in an address before a group representing businessmen from

many nations, he summed up his attitude—and his achievement—in these words:

> Our relations with foreign nations are not very different from our relations with each other in family, church or state. They must be based on understanding. What a difficult thing it is to see that the other man may be honest as well as yourself!
>
> If we can live in our respective homes loyal to our cities, States and nations, yet ready to attribute to other men an honest purpose, it is more important than the most solemn treaties we may sign on parchment.

The selections here reprinted are from U.S. Department of State, *Foreign Relations: 1927*, Vol. III (Washington, 1928).

The address of Secretary of State Henry L. Stimson (1867–) before the Council on Foreign Affairs in February, 1931, presents officially the Latin American policy of the United States, particularly in the Central American area abutting on the Panama Canal. The United States had intervened in Nicaragua, occupying Nicaraguan territory and supervising elections in 1929 and 1930. As the depression intensified after 1929, even the most firmly seated governments in Latin America were overthrown. The United States stood confronted by the necessity for a choice: Was it to act contrary to the precedents of the immediate past, or should it revert to former policy? The Hoover administration decided to take the latter course and, in this address, Stimson enlarges not only on that question, but also on the State Department's definition of the Monroe Doctrine. That principle, Stimson explains, continues to be a cornerstone of American foreign policy but it sets the United States over against Europe, not the nations of Latin America. Thus, the Roosevelt Corollary of the Monroe Doctrine was repudiated.

During the Wilson administration, the United States had abandoned a long-established policy of recognizing *de facto* governments when it denied recognition to a Mexican government established by "force and violence." The present administration now returns to earlier and sounder practice, in this way restoring political stability. So far as the Central American states are concerned, however, the policy of recognition for *de facto* governments is tempered by treaty: the five republics have agreed not to accept regimes established by *coup d'état* even if that should later be regularized by constitutional process. This pledge has diminished the number of revolutions in middle America and helped establish free elections. A final step in improving inter-American relations has been the United States practice of embargoing arms shipments to rebels against a recognized government. Stimson also indicates how the word of the United States has been kept in difficult situations.

The selection here reprinted is from a pamphlet issued by the U.S. Department of State as *Publications: Latin American Series*, No. 156 (Washington, 1932).

On Mexico

BY DWIGHT MORROW

THE AMBASSADOR IN MEXICO (MORROW) TO THE SECRETARY OF STATE

[Mexico,] November 8, 1927

MY DEAR MR. SECRETARY: I have now been in Mexico a little over two weeks. A great deal of time, as you so well know, has been taken up in necessary formalities. I have had an opportunity, however, to talk with several business men of Mexico, including Mr. Legorreta, Director of the Banco Nacional de Mexico; Mr. Woodull, the Mexican Manager of the American Smelting and Refining Co.; Mr. Hugh Rose, the Managing Director of Santa Gertrudis Mines; Mr. H. Weldon, local Manager of the Bank of Montreal; Mr. G. R. G. Conway, Managing Director of the Mexican Light & Power Co.; Mr. Matton, of the British American Tobacco Co.; Mr. Hilary N. Branch, local representative of Huasteca Petroleum Com-

pany; and Messrs. Hogan and Basham, prominent American lawyers here. . . .

When I made my first call upon the Acting-Minister of Foreign Affairs, as referred to in despatch No. I, of October 31st, Mr. Estrada, after courteously expressing his pleasure that I had come to Mexico, took occasion to say to me that it was the desire of President Calles that I should take matters up personally with him. He further stated that in Mexico the system of administration was a "Presidential system" and that as the President alone had the authority to make decisions on behalf of the Government he hoped that I would at all times discuss with President Calles matters of difference between the Governments. Mr. Estrada's manner of expressing this opinion made quite an impression upon Mr. Schoenfeld, who accompanied me upon this formal call and acted as interpreter.

On Saturday, October 29th, I presented my letter of credence to the President. What formally took place on that occasion is also referred to in despatch No. I, of October 31st. After I had read my brief remarks and the President had replied, he signified that he desired to have a conversation with me. I sat down beside him and we had four or five minutes' conversation. Mr. Martinez de Alva acted as interpreter. In this conversation the President expressed the hope that I would feel free at all times to come directly to him, stating that he was not a diplomat, and that he thought many of the matters as to which there were differences of opinion between the two governments could be readily adjusted in personal meetings, but that diplomatic notes tended to separate further the Governments. I expressed my appreciation of the cordiality of my reception by his Government and the people of Mexico, and stated that I would be very glad to avail of the courtesy extended to me of talking things over with him personally from time to time. He then repeated to me that he did not want me to consider this invitation to take things up with him personally as merely a formal invitation, that he did earnestly desire that the matters in difference between the Governments be settled amicably, and he thought this could best be accomplished by taking questions up personally. . . .

Accordingly, I went to the President's home this morning at 11 o'clock. Again I went alone, reaching this decision after consultation with the Embassy staff. I felt that he might talk more frankly and I might get a clearer picture of his mind if I showed my confidence in him. I think the result fully justified this position.

My talk with the President this morning lasted perhaps an hour and a half. Mr. Robinson and Mr. Smithers were present, Mr. Smithers acting as interpreter. Mr. J. Reuben Clark and myself had made a very careful study of the record with reference to oil, going back particularly to the Carranza decrees, to the decision in the Texas Oil Company case and to the Warren-Payne record in which so much emphasis was laid upon respecting and enforcing the principles of the decisions in the Texas case to the effect that Paragraph 4 of Article 27 of the Constitution was not retroactive. Mr. Clark and I had both felt that it would be very difficult to find a compromise that would really maintain the principle of the Warren-Payne meetings and of the State Department correspondence unless there could be an affirmance of the Texas Oil Company case. It also seemed to us both that an affirmance of the Texas Oil Company case was more or less a natural thing for the courts to do because substantially the same principle was involved in the so-called Carranza decrees and in the legislation of 1925.

The President opened the conversation this morning by asking me directly what solution I thought could be found for the oil controversy. I told him that I thought an almost necessary preliminary to any solution would be a clear decision of the Supreme Court following the Texas Oil Company cases. I told him that I had been a lawyer, and it was not easy to get out of the habit of talking as a lawyer, and asked him to bear with me while I explained to him the Texas Oil Company case as I understood it. I then quite slowly, with the interpreter translating to him sentence by sentence, explained to him that the Carranza decrees had attempted to hold Paragraph 4 of Article 27 of the Constitution of 1917 to be retroactive as to the subsoil of oil lands, that those who had brought the *amparos* had asserted, first, that President Carranza had no official power to act by decree in the way he had acted, and, second, that even if he had been given such official power it would be violative of article 14 of the Constitution, which provides that no law shall be given a retroactive effect. I explained to him further that the Supreme Court of Mexico in the Texas case had clearly held that the question of Carranza's official power to act by decree did not arise because the decrees issued him and called in question had been officially ratified by the legislative body, and that, therefore, his decrees had the full effect of laws. The Court then went on to hold that these laws (made by Carranza decree and legislative ratification) could not constitutionally be given retroactive effect. In the Texas case, therefore, as in the pending cases, it was not a decree of the

executive but a law of Congress, and executive acts thereunder, which were held to be violative of Article 14 of the Constitution. I further said to the President that I had been expecting that the courts would hand down a decision sustaining the Texas cases and that if such a decision came down I thought the ground would be cleared for a satisfactory adjustment of the oil matter.

He then gave me quite a full description of his troubles with the oil companies. He said that the Government of Mexico had never wanted to confiscate any property. Least of all did they want to confiscate the oil properties; that they needed the revenues, and obviously "they did not want to commit suicide"; that the act of 1925 was a most necessary piece of legislation at the time because the country was in considerable disorder and there was an extreme radical wing whose wishes had to be met in that legislation; that he had thought the grant of the 50-year right as good as a perpetual right to take out the oil, and that such a grant would satisfy every practical purpose, but that the oil companies had not co-operated with him at all, but in fact their representatives had boasted all over Mexico that they did not need to obey the laws of Mexico. To this I responded that, without defending the attitude of the oil companies toward Mexico or toward the Mexican courts, there was a very real principle which they had asserted and which the American Government had felt it necessary to assert on their behalf: that a 50-year right to take oil out of a piece of ground might be fully as good as a perpetual right, but it was certainly arguable that if one administration could cut the right down from a perpetual right to a 50-year right, a later administration might cut it down from a 50-year right to a 40-year right, or a 30, or a 10 or a 1-year right, and that it seemed to me in the interests of Mexico as well as in the interests of the United States that that question should be cleared up.

The President then asked me if I thought a decision of the court following the Texas case would settle the main controversy in the oil dispute. I told him I thought such a decision would remove the main difficulty. He then rather startled me by saying that such a decision could be expected in two months. I said to the President that it was important that during the time the cases are pending before the court no overt act which could be called confiscation should take place; that if difficulties were not to increase, pending a decision by the courts, there should be no change in the *status quo*.

I think it proper to say that there was nothing in the President's conversation to indicate that he intended to direct the courts to make a decision. In fact, he would doubtless assert that he had no such power. His words were entirely consistent with the fact that he had knowledge of what the courts already had in mind. At the same time it must be remembered that it is generally believed in this country that the courts are not independent of the Executive. While this may seem quite shocking to those trained in American jurisprudence and English jurisprudence, it is not an essentially different situation than has existed in all early governments and is substantially the same situation that existed in England two or three hundred years ago. The King's Bench was originally more than the name of the court; it was the bench that belonged to the King, and administered justice for him.

After the talk about the oil, the President then took up the question of the railroad. He told me that he was determined to see a better railroad administration, that he had asked Sir Henry Thornton, of the Canadian Government Railroad, to come down and make a report to him, and that even though it meant sweeping out a lot of holders of jobs who were intrenched in the railroad he was prepared to do so. He also spoke of his desire to expedite the claims settlements. He spoke of his earnest desire to improve agricultural conditions in Mexico and in this connection stated that Mexico was not ready yet for industrial development, that he hoped that a betterment of agriculture here would lead [*tend?*] to create trade with the United States, that industrial products should come into Mexico from the United States during the next generation, and that Mexico would not be ready for industrial development until long after his time.

I returned from the President's Castle to the Embassy. A half hour later Mr. Robinson called upon me and told me that the President was very anxious that none of the oil people should know at all about our conference, that his greatest difficulty in dealing with the oil question in a proper way had been the oil people themselves, and that if they knew that a Supreme Court decision was likely to come down within a short time they would again begin to intrigue.

Despite the informality of this whole conversation I am setting it out somewhat fully to you. I think it is of extreme importance that the oil people shall, if possible, be kept from complicating the situation until the courts have had an opportunity to act.

I have nothing to add about the general political situation down here to what has been sent you in despatches. I think it is true that President Calles

has been greatly strengthened by the rigorous method in which he has handled the recent revolutions. There are some people who feel that the revolts were not real revolts. I think, however, the best opinion is that it was a question of who struck first; it was a case of "thy head or my head," which again was pretty much the rule in English history until well past the Tudor days.

There is difference of opinion as to whether President Calles and General Obregon will remain together, but I think there are no real indications at present that they have quarreled. A year, however, in Mexico is a long time. I must say that my personal impression, for whatever it is worth, is that President Calles seemed to me to be a man who wanted to do as much as he could during this last year of his term and then get out. The pressure, however, upon him by those who share the advantages of office will certainly be very great, and much may happen as a result thereof.

In both of my talks with the President I have been impressed by his strength, his earnestness, and his apparent sincerity. I think he is a strong man, sincerely devoted to his country and capable of going a long way in either the right or the wrong direction. . . .

With kindest regards [etc.]

Dwight W. Morrow

THE UNDER SECRETARY OF STATE (OLDS) TO THE AMBASSADOR IN MEXICO (MORROW)

Washington, November 16, 1927

DEAR MR. MORROW: Your long letter addressed to the Secretary arrived in due course. After reading it we took it across the street, where it now is. We expect to follow this course with all important communications which may come from you.

Naturally the report of your preliminary conversations is exceedingly interesting. I can not help feeling that you are on the right track and have already made real progress. At any rate it delights us all to see the old method of long-armed dealing scrapped, and the contrary method of direct personal contact tried. I am sure that the lines along which you are working are absolutely sound.

The intimation about the Supreme Court decision is, of course, important. We have had intimations on this subject before, but this one seems more reliable than the others. Anyhow, I agree that the oil companies ought not to get off the reservation for the time being. They have been very quiet lately. I told them when you left that there would not be anything doing until you found your way about in Mexico, and that it might be several weeks before anything affecting their interests happened. Meanwhile they would have to be patient. They have, as you know, called attention to one or two moves made by the Mexican Government, which seemed to them rather disturbing, but they have not asked for any conferences here. We shall bear in mind your suggestion that nothing be said to them concerning the Supreme Court decision. . . .

With warm regards [etc.]

Robert E. Olds

The United States and the Other American Republics

BY HENRY L. STIMSON

DURING THE PAST TWO YEARS widespread economic depression and consequent unemployment have brought instability and unrest to many of the countries of the Western Hemisphere. Since March, 1929, there have been revolutions in no less than seven Latin American republics, resulting in the forcible overthrow in six of them of the existing governments. These changes, and the armed contests by which some of them have been accompanied, have presented to the State Department of this country a rapid succession of critical problems for decision. It was inevitable in such a situation that criticism of our decisions should be excited, and it has been.

Therefore, this evening, I shall place before you from the standpoint of the State Department a brief statement of the facts as well as of the underlying principles and reasons upon which some of these recent decisions have been based. In particular, I shall discuss the principles by which we have been guided in the recognition of the new governments which have arisen and also the principles which have underlain our action in the regulation of the sale and transportation of arms and munitions to the countries which have been involved in strife.

As a background for this discussion a brief review of the general policy of the United States towards the other republics of this hemisphere during the past century is pertinent. That policy, in its general conception, has been a noble one. From the beginning we have made the preserva-

tion of individual independence of these nations correspond with our own interest. This was announced in the Monroe Doctrine and has been maintained ever since. That doctrine, far from being an assertion of suzerainty over our sister republics, was an assertion of their individual rights as independent nations. It declared to the world that this independence was so vital to our own safety that we would be willing to fight for it against an aggressive Europe. The Monroe Doctrine was a declaration of the United States versus Europe—not of the United States versus Latin America. . . .

People are sometimes prone to forget our long and honorable fulfillment of this policy towards our younger sister nations. It was our action which obtained the withdrawal of French imperialism from Mexico. It was our influence which provided for the return from Great Britain of the Bay Islands to Honduras, and the Mosquito Coast, including Greytown, to Nicaragua. It was our pressure which secured the arbitration of the boundary dispute between Great Britain and Venezuela and which later secured by arbitration the solution of serious disputes between Venezuela, Germany, and Italy. Between the republics themselves, our influence has constantly been exerted for a friendly solution of controversies which might otherwise mar their independent and peaceful intercourse. To speak only of recent matters, I may refer to the long-standing Tacna-Arica dispute between Chile and Peru, and the open clash between Bolivia and Paraguay. During the past seven years our good offices have resulted in the settlement of eight boundary disputes between eleven countries of this hemisphere.

In our successive Pan American conferences, as well as in the Pan American Union, the fundamental rule of equality, which is the mainstay of independence, has been unbroken. Action is taken only by unanimous consent. No majority of states can conclude a minority, even of the smallest and weakest. This is in sharp contrast to the practice which prevailed in the former Concert of Europe, where only the great powers were admitted on a basis of equality. It was also at variance with the original organization of the Covenant of the League of Nations, where it was proposed that a majority of the seats in the Council should be permanently occupied by the Great Powers.

While such recognition of their equal rights and national independence has always been the basic foundation upon which our policy towards these republics has rested, there is another side of the picture which must be borne in mind. This basic principle of equality in international law is an ideal resting upon postulates which are not always and consistently accurate. For independence imposes duties as well as rights. It presupposes ability in the independent nation to fulfill the obligations towards other nations and their nationals which are prescribed and expected to exist in the family of nations. The hundred years which have ensued since the announcement of our policy towards these republics have contained recurring evidence of how slow is the progress of mankind along that difficult highway which leads to national maturity and how difficult is the art of popular self-government. Years and decades of alternations between arbitrary power at one time and outbreaks of violence at another have pointed out again and again how different a matter it is in human affairs to have the vision and to achieve the reality.

Furthermore, the difficulties which have beset the foreign policy of the United States in carrying out these principles cannot be understood without the comprehension of a geographical fact. The very locality where the progress of these republics has been most slow; where the difficulties of race and climate have been greatest; where the recurrence of domestic violence has most frequently resulted in the failure of duty on the part of the republics themselves and the violation of the rights of life and property accorded by international law to foreigners within their territory, has been in Central America, the narrow isthmus which joins the two Americas, and among the islands which intersperse the Caribbean Sea adjacent to that isthmus. That locality has been the one spot external to our shores which nature has decreed to be most vital to our national safety, not to mention our prosperity. It commands the line of the great trade route which joins our eastern and western coasts. Even before human hands had pierced the isthmus with a seagoing canal, that route was vital to our national interest. Since the Panama Canal has become an accomplished fact, it has been not only the vital artery of our coastwise commerce but, as well, the link in our national defense which protects the defensive power of our fleet. One cannot fairly appraise American policy towards Latin America or fully appreciate the standard which it has maintained without taking into consideration all of the elements of which it is the resultant. . . .

Recognition

The recognition of a new state has been described as the assurance given to it that it will be permitted to hold its place and rank in the char-

acter of an independent political organism in the society of nations. The recognition of a new government within a state arises in practice only when a government has been changed or established by revolution or by a *coup d'état*. No question of recognition normally arises, for example, when a king dies and his heir succeeds to the throne, or where as the result of an election in a republic a new chief executive constitutionally assumes office. The practice of this country as to the recognition of new governments has been substantially uniform from the days of the administration of Secretary of State Jefferson in 1792 to the days of Secretary of State Bryan in 1913. There were certain slight departures from this policy during the Civil War, but they were manifestly due to the exigencies of warfare and were abandoned immediately afterwards. This general policy, as thus observed, was to base the act of recognition not upon the question of the constitutional legitimacy of the new government but upon its *de facto* capacity to fulfill its obligations as a member of the family of nations. This country recognized the right of other nations to regulate their own internal affairs of government and disclaimed any attempt to base its recognition upon the correctness of their constitutional action.

Said Mr. Jefferson in 1792:

"We certainly cannot deny to other nations that principle whereon our own Government is founded, that every nation has a right to govern itself internally under what forms it pleases, and to change these forms at its own will; and externally to transact business with other nations through whatever organ it chooses whether that be a king, convention, assembly, committee, president, or whatever it be. (*Jefferson to Pinckney, Works, Vol. III, p. 500.*)" . . .

With the advent of President Wilson's administration this policy of over a century was radically departed from in respect to the Republic of Mexico, and, by a public declaration on March 11, 1913, it was announced that—

"Cooperation (with our sister republics of Central and South America) is possible only when supported at every turn by the orderly processes of just government based upon law, not upon arbitrary or irregular force. We hold, as I am sure that all thoughtful leaders of republican government everywhere hold, that just government rests always upon the consent of the governed, and that there can be no freedom without order based upon law and upon the public conscience and approval. We shall look to make these principles the basis of mutual intercourse, respect, and helpfulness between our sister republics and ourselves. (*Foreign Relations of the United States, 1913, p. 7.*)"

Mr. Wilson's government sought to put this new policy into effect in respect to the recognition of the then Government of Mexico held by President Victoriano Huerta. Although Huerta's government was in *de facto* possession, Mr. Wilson refused to recognize it, and he sought through the influence and pressure of his great office to force it from power. Armed conflict followed with the forces of Mexico, and disturbed relations between us and that republic lasted until a comparatively few years ago.

In his sympathy for the development of free constitutional institutions among the people of our Latin American neighbors, Mr. Wilson did not differ from the feelings of the great mass of his countrymen in the United States, including Mr. Jefferson and Mr. Adams, whose statements I have quoted; but he differed from the practice of his predecessors in seeking actively to propagate these institutions in a foreign country by the direct influence of this Government and to do this against the desire of the authorities and people of Mexico.

The present administration has refused to follow the policy of Mr. Wilson and has followed consistently the former practice of this Government since the days of Jefferson. As soon as it was reported to us, through our diplomatic representatives, that the new governments in Bolivia, Peru, Argentina, Brazil, and Panama were in control of the administrative machinery of the state, with the apparent general acquiescence of their people, and that they were willing and apparently able to discharge their international and conventional obligations, they were recognized by our Government. And, in view of the economic depression, with the consequent need for prompt measures of financial stabilization, we did this with as little delay as possible in order to give those sorely pressed countries the quickest possible opportunities for recovering their economic poise.

Such has been our policy in all cases where international practice was not affected or controlled by preexisting treaty. In the five republics of Central America, Guatemala, Honduras, Salvador, Nicaragua, and Costa Rica, however, we have found an entirely different situation existing from that normally presented under international law and practice. As I have already pointed out, those countries geographically have for a century been the focus of the greatest difficulties and the most frequent disturbances in their earnest course towards competent maturity in the discharge of their international obligations. Until some two

decades ago, war within and without was their almost yearly portion. No administration of their government was long safe from revolutionary attack instigated either by factions of its own citizens or by the machinations of another one of the five republics. Free elections, the cornerstone upon which our own democracy rests, had been practically unknown during the entire period. In 1907 a period of strife, involving four of the five republics, had lasted almost without interruption for several years. In that year, on the joint suggestion and mediation of the Governments of the United States and Mexico, the five republics met for the purpose of considering methods intended to mitigate and, if possible, terminate the intolerable situation. By one of the conventions which they then adopted, the five republics agreed with one another as follows:

"The Governments of the high contracting parties shall not recognize any other government which may come into power in any of the five republics as a consequence of a *coup d'état*, or of a revolution against the recognized government, so long as the freely elected representatives of the people thereof, have not constitutionally reorganized the country."

Sixteen years later, in 1923, the same five republics, evidently satisfied with the principle they had thus adopted and desiring to reinforce it and prevent any future evasions of that principle, met again, reenacted the same covenant, and further promised each other that even after a revolutionary government had been constitutionally reorganized by the representatives of the people, they would not recognize it if its president should have been a leader in the preceding revolution or related to such a leader by blood or marriage, or if he should have been a cabinet officer or held some high military command during the accomplishment of the revolution. Some four months thereafter, our own Government, on the invitation of these republics, who had conducted their meeting in Washington, announced, through Secretary Hughes, that the United States would in its future dealings with those republics follow out the same principle which they had thus established in their treaty. Since that time we have consistently adhered to this policy in respect to those five republics. . . .

Since the adoption by Secretary Hughes, in 1923, of the policy of recognition agreed upon by the five republics in their convention, not one single revolutionary government has been able to maintain itself in those five republics. Twice, once in Nicaragua and once in the case of Guatemala, a revolutionary leader has succeeded in grasping the reins of government for a brief period. But in each case the failure to obtain recognition has resulted in his prompt resignation, on account of his inability to borrow money in the international markets. Several times within the same period a contemplated revolution has been abandoned by its conspirators on the simple reminder by a minister from this country or one of the other republics that, even if they were successful, their government would not be recognized; and undoubtedly in many more cases has the knowledge of the existence of the policy prevented even the preparation for a revolution or *coup d'état*. In every one of these cases the other four republics have made common cause in the efforts of the United States to carry out their policy and maintain stability. When one compares this record with the blood-stained history of Central America before the adoption of the treaty of 1923, I think that no impartial student can avoid the conclusion that the treaty and the policy which it has established in that locality has been productive of very great good. . . .

Furthermore, it may be noted that one of the dangers which might be apprehended from this policy of recognition adopted by the five Central American republics under the treaty of 1923 has not materialized. One of the most serious evils in Central America has been the fact that throughout the history of those republics, until recently, it has been the habitual practice of the president who held the machinery of government to influence and control the election of his successor. This has tended to stimulate revolution as the only means by which a change of government could be accomplished. The danger was therefore manifest that this treaty of 1923 might result in perpetuating the autocratic power of the governments which were for the time in possession. As a matter of fact this has not happened. On the contrary, significant improvement has taken place in election practice. The Government of Nicaragua of its own motion has sought and obtained the assistance of the United States in securing free and uncontrolled elections in 1928 and 1930. The Government of Honduras, in 1928, without any such assistance, conducted an election which was so free that the party in power was dispossessed by the opposition party; and a similar free election has apparently occurred in 1930. For nearly one hundred years before 1923 free elections have been so rare in Central America as to be almost unique. Of course, it is too early to make safe generalizations, but it would seem that the stability created by the treaty of 1923 apparently has not tended to perpetuate existing autocracies but, on

the contrary, to stimulate a greater sense of responsibility in elections.

Traffic in Arms

I will now pass to the subject of the policy of this Government in respect to the export of arms and munitions to countries which are engaged in civil strife. Twice during the present Administration we have had to make important decisions and take important action in respect to this subject. The first of these occasions was in March, 1929, when a military insurrection broke out in the Republic of Mexico. This insurrection was of serious nature and extent. It involved disturbances in many of the Mexican provinces and much fighting and bloodshed. Acting under a joint resolution of our Congress, adopted in 1922, this Government maintained an embargo upon the exportation of all arms and munitions which might reach the rebels. At the same time, it permitted the sale and itself sold arms and ammunition to the established government of Mexico, with which we were then and had been for a number of years in diplomatic relations. In about three months the insurrection was suppressed, and I think it can be fairly said that it is due in no slight degree to our action in this matter that the feelings of hostility on the part of Mexico to the United States which had existed ever since the intervention of President Wilson against Huerta in 1913 were finally ended and the relations of the two countries became friendly and cordial.

The second occasion was in October, 1930, when armed insurrection had broken out against the Government of Brazil. In the same way in which we had acted towards Mexico, we permitted that government to purchase arms both from our Government and from our nationals in this country; and, when the Ambassador of Brazil brought to our attention the fact that arms were being purchased in this country for export to the rebel forces fighting against the recognized government, we placed an embargo against the exportation of such arms. Two days later the Government of Brazil suddenly fell, the immediate cause being the revolt of its own garrison in Rio de Janeiro.

In placing the embargo upon the exportation of arms to the Brazilian rebel forces, our Government acted under the same joint resolution of our Congress of 1922 and with the same purpose and upon the same policy as had guided our action in the case of Mexico and in other cases where action has been taken under that resolution. That purpose was "to prevent arms and munitions procured from the United States being used to promote conditions of domestic violence" in countries whose governments we had recognized and with which we were in friendly intercourse. This was the purpose and policy as stated by our Congress in the language of the resolution itself. . . .

Under the law of nations the duty of neutrality does not arise until the insurgents have assumed the status of a belligerent power between whom and the mother country other governments must maintain impartiality. This occurs when a condition of belligerency is recognized either by the parent state itself or by the governments of other nations. Such a situation arose in our Civil War when the Confederate States, having occupied exclusively a portion of the territory of the United States and having set up their own capital at Richmond, were recognized as belligerents by the nations of Europe. It has not arisen in any of the recent revolutions of Latin America, whether successful or unsuccessful. The revolutionists in Brazil had not been recognized as belligerents either by the Brazilian Government, by the United States, or by any other nation. Until that happens, under the law and practice of nations, no duty of impartiality arises either on the part of our Government or our citizens. Until that time there is only one side towards which, under international law, other nations owe any duty. This is so well established as to be elementary. It was recognized in the clause of the treaty of 1928 which I have just quoted. . . .

The domestic legislation of the United States prescribing the duties of its citizens towards nations suffering from civil strife is following the line of these predispositions and is blazing the way for the subsequent growth of the law of nations. I am not one who regards this development of American domestic legislation, exemplified by the joint resolution of 1922, as a departure from the principles of international law or as a reactionary or backward step. The reverse is true. Although I have had little occasion to deal with the subject of international law from an academic viewpoint, it has happened that at different times during my life I have occupied public offices where I came in official contact with international conditions before they were remedied by the beneficent effect of the joint resolution of 1922 and its predecessor, the joint resolution of 1912. . . .

I am glad that I had a share in the drafting of the joint resolution of 1912, and I have studied closely the progress of its remedial effect upon the conditions which it was designed to cure. I am glad to find that that effect has been beneficial. By our own Government it has been found so beneficent that in 1922 its scope was extended from civil

Part Eleven

THE THIRD AMERICAN REVOLUTION

INTRODUCTION

1. THE ELECTION OF FRANKLIN DELANO ROOSEVELT

For Americans who took pride in the possession of their own homes and automobiles, who sent their children to high schools and colleges, who moved in a complex and satisfying social round of fraternal meetings, church suppers, and outdoor games, to see —as was happening so widely during 1930–33 —their security shaken, their possessions and small savings melting away, their lives becoming more secret and lonely, their children leaving home before educations had been completed—these were profound traumatic experiences. The great majority of Americans were the humble, the hard-working, the thrifty—the workers, the small farmers, the little retailers, professional and technical men, the smaller manufacturers. It is small wonder that they flocked to the support of the new President and his policies. Franklin D. Roosevelt and the New Deal restored the confidence of the typical American in himself and in his country's destiny. This was achievement, even if many of the programs failed or fell short of their purpose and even if the end-results seemed to threaten unknown perils. Americans had at least learned that their political institutions and Constitutional processes could bend without breaking, and that what a people needed was courage—and that they had.

The Campaign of 1932. The depression was in its third year when the presidential contest of 1932 took place. The Republicans renamed President Hoover and Vice President Curtis as their standard-bearers. The Democrats nominated Governor Franklin D. Roosevelt of New York for the presidency and Speaker John N. Garner of Texas for the vice presidency. Roosevelt's campaign captured the country's imagination. Beginning in the spring of 1932, he traveled more than 25,000 miles and visited almost every state in the Union; and he talked openly and freely of fundamental economic problems. One clear-cut distinction between the positions of the two candidates quickly began to emerge. Hoover attributed the depression to international factors; Roosevelt tended to stress the difficulties and faults in our own economy. It was hard to assume—and none but the most partisan did so—that Roosevelt was hostile to the American capitalist system. But he did look forward to a capitalist system severely modified and limited, hedged around closely in the interests of the security of the workingman, farmer, small homeowner, and small investor. And its activities were to be directed so completely to the attainment of social rather than individual ends that to many who had been brought up on the concepts of a laissez-faire society and an automatically self-adjusting economy a real revolution threatened.

The Third American Revolution. These, as it turned out, were not false prophets. A revolution was started by the New Deal—not a revolution in the violent, turbulent sense, but a revolution nevertheless. The whole concept of the state, or national government, underwent a metamorphosis. The state had previously been a passive or impartial force, seeking to stand aloof from the contests in the market place, or at best offering only its mediation to see that principles of justice and equity were preserved; and it had refused to interfere significantly in the

interests of the security and the welfare of its laboring peoples. Now it became the interventionist state. It imposed on the free business enterpriser all sorts of controls and regulations; it entered openly into business itself, often as competitor with private corporations; it used its great fiscal and financial powers to redistribute wealth and to create income; it committed itself to an elaborate program of social security that offered protection, in time, to the whole population against the mischances of unemployment, invalidity, and sudden death, and from the cradle to the grave. The laissez-faire state with only a skeletal apparatus of offices and agencies had become the social-service state with a vast and intricately contrived and permanent machinery of officials and bureaucrats.

And political power, too, had shifted. Previously political power had been in the hands of the middle class—the industrialists, the bankers, the larger farmers. Now political power was concentrating more and more in the hands of the lower middle class and the workers. Those who voted for Franklin D. Roosevelt in 1932, 1936, 1940, and 1944 came from the smaller farmers throughout the country; from the urban dwellers who toiled as workers and salaried employees; from small distributors, small manufacturers, and those on the WPA rolls. Interestingly enough, this took place without a break-up and redistribution in national party formations and without the appearance of a workingmen's political party.

From a Nationalist to an Internationalist Orientation. Furthermore, the revolution took place despite the fact that the pivot of its operations changed. The New Deal started out by being essentially nationalist in its outlook and interests, and continued so until 1937. From 1937 on, it became increasingly internationalist. And yet the fundamental political and social philosophy remained the same. The American state was to be used for security and welfare; this could be done by re-ordering our domestic economy without any real concern over what was happening outside our shores—so ran the thinking and planning of the New Deal up to 1937. The American state was to be used for security and welfare; but we could not be free to handle the problems of high employment and of improving standards of living until the whole world was made safe from aggression; and freedom from want and fear could not be assured Americans unless all peoples were similarly guaranteed these rights—thus ran the philosophy of the New Deal from 1937 on. The same groups, by and large, who had supported the New Deal in its first stage followed its leadership in the second.

As the presidential campaign of 1932 drew out its term, it became apparent that Roosevelt was to be elected by an overwhelming majority. And so it turned out. He received 22,800,000 popular votes to Hoover's 15,800,000, and 472 electoral votes to Hoover's 59. The Republican ticket carried only the six states of Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, and Delaware. The Democrats also elected heavy majorities to both houses of Congress.

2. *THEORY AND TACTICS OF THE NEW DEAL*

Theory of the New Deal. Some of the New Deal policies were understood and acted upon at once; some were adopted only to be abandoned later; some were originally primary and then were pushed into the background. Some were improvisations devised on the spot; and some went as far back as Populism and the New Freedom for their inspiration. Always, however, there existed the thought that the responsibility of public authority for the welfare of the people was clear and that the intervention of the state was justifiable.

The theoretical bases of New Deal policy may be put down in this fashion:

1. Capital plant at home had presumably over-expanded as far as the normal requirements for agricultural and industrial goods were concerned; investment therefore was no longer to be the exclusive concern of private banking. This theory was pushed most energetically in the field of agriculture, where limitation of production became the basis of policy. That it also was extended to industry was evident from the codes of "fair competition" written during 1933–35 under the National Industrial Recovery Act. Under these, many industries, in the process of policing themselves, were permitted to provide for rigorous controls over the use of existing machinery and over new-plant expansion. The idea also colored trade-union policy, for unions were allowed to impose limitations upon production through so-called featherbed jobs, full-crew requirements, and similar devices. From this conception of overexpansion there followed the New Deal theory of social investment as complementary and sometimes in opposition to private investment.

2. Prices were being "managed," or they were "sticky" in significant areas of business operations. The New Deal held that this was due to monopolistic practices and to imperfect competition, that is to say, to conscious interference with the free movement of prices on the part of corporations. A bold attack on monopoly practices was therefore in order.

3. Labor had an inadequate share of the national income on the one hand, and unequal bargaining powers in industrial relations on the other. Both conditions could be remedied by compelling the legal recognition of trade unions and by legislation fixing minimum wages and maximum hours of work.

4. Business enterprises in many fields had become "overcapitalized," in the sense that their fixed charges due to capital costs were higher than would permit the concerns affected to operate profitably. Since such costs did not adjust easily and quickly to changed market conditions, the difficulties of total market adjustment were intensified. Debt revisions were therefore in order.

5. The public-utilities industry, furnishing electric power and light, which was notably under corporate control, was not favorably disposed to a vast expansion program to reach potential users and isolated communities. At this point was introduced a bold piece of social engineering—the Tennessee Valley Authority.

6. The toll taken by unemployment, cyclical as well as technological (although on the latter point there was much debate), was very great. There were other insecurities which philanthropy and private savings were inadequate to cope with: old age, invalidity, child dependency, sudden death. Security to the American population against these perils was a prime concern of government.

7. There were dark spots in our economy: inadequate housing for low-income earners, the plight of sharecroppers and agricultural laborers, unemployed youth. Here too was a field for state intervention.

8. The financial mechanism of banking and credit was too powerful an agency to be left entirely in private hands. Banking had to be made at least a semipublic function, so that banking policy could lead positively in controlling the ups and downs of business fluctuations.

9. The world market was no longer functioning properly; high tariff walls, import quota systems, foreign governmental controls, and the manipulations of foreign exchange prevented the usual absorption of American surpluses in foreign trade. Our cotton, cereals, tobacco, oil, copper were piling up in warehouses to derange markets at home. Two lines of attack were indicated: controlled production, and the elimination of those blocks that were hindering the orderly processes of world trade.

Tactics of the New Deal. So ran the New Deal analysis. From this there followed cer-

tain programs, of which the following were the outstanding:

1. The restoration and maintenance of prices. Many attacks on the problem were launched: the dollar was devaluated; gold was purchased from abroad; limitations were imposed on the production of agricultural products, petroleum, and coal; codes of fair competition in industry were written to eliminate cutthroat methods. The greatest success was met with in the case of agriculture, although here crop loans and subsidies were also required for the purpose of making production control effective.

2. The reduction of debt. Private debts had become unduly burdensome, notably within the context of a deflationary price situation. The New Deal sought to come to grips with this problem in two ways: by raising prices, and by writing down the face value of debt in places where price change itself could not be entirely and immediately effective. For agriculture it created a new fiscal agency (the Federal Farm Mortgage Corporation) which was to make possible the exchange of privately held agricultural long-term paper for semipublic (or public-guaranteed) paper. For homeowners it created a new fiscal agency (the Home Owners' Loan Corporation) for a similar purpose. For businessmen, corporations, and municipalities, it radically changed the bankruptcy law to permit those who were insolvent to come to an understanding with their creditors quickly and at small legal cost.

3. The revival and expansion of credit. To pump short-term and long-term funds into enterprise, state intervention was imperative. The commercial banks, because of their non-liquidity, were not in a position to extend loans for working capital. The agencies of long-term credit—savings banks, insurance companies, trust companies, title and mortgage companies—seeing their earlier investments unproductive, feared to assume further risks. The New Deal jumped into the breach. It expanded the powers and operations of the Reconstruction Finance Corporation (created in 1932 to open commercial banks and help them achieve liquidity quickly). It established virtual public control over the Federal Reserve System, so that the system could be induced by government policy to expand (and contract) credit. It obtained for the Board of Governors of the Federal Reserve System the power to lower (and raise) the minimum legal reserves required of member banks. It got for the same agency the right to raise (or lower) the margin requirements for security purchases, thus controlling to an extent the amount of credit flowing into brokers' loans. It used the Reconstruction Finance Corporation to make direct loans to private business and to municipalities and other public corporations for housing, electric power plants, and the like.

4. The raising of the purchasing power of labor. Labor, confronted by shrinking opportunities of employment, was forced to sell its services cheaply. Sweated industries had reappeared and child labor had increased. The key to the rehabilitation of labor was to be chiefly its own united strength. The National Labor Relations Act therefore ordered employers to bargain with the workers' own trade unions and to give up practices that prevented labor organization. Closed shops became more and more common; and also industrial practices and standards were modified and improved through labor-management cooperation. To defend those incapable of effective organization—children, women, the unskilled—minimum-wage and maximum-hour legislation and the abolition of child labor were aimed at. After several failures these objectives were achieved in the Fair Labor Standards Act of 1938.

5. The relief of the needy, the protection of dependents, and social security. Wholesale unemployment, illness and invalidity, and the unrest of youth were the results of the depression. The relief of distress was an imminent public duty, and the New Deal experimented with this problem in many ways. It lent generously to the states for straight

outdoor relief. It created a federal agency (the Public Works Administration) to extend credit to public and quasi-public authorities to finance long-term public construction projects. It wrote Social Security legislation under which direct federal appropriations and federal matching grants-in-aid were made to the states to provide for the unemployables and the permanently needy (the aged, the blind, dependent and crippled children). It devised a significant code under which, as a result of contributions by employers, unemployment funds were built up in the states; and also, from equal contributions by employers and workers, an insurance fund from which were to be paid annuities to workers upon retirement. It created work for the temporary needy and unemployed in short-term projects financed by the Federal government (under the Works Progress Administration).

6. The construction of homes. The New Deal recognized that the building of decent homes for low-income earners was an outstanding social need; it therefore established an agency (the United States Housing Authority) which, with government financing and subsidies, was to assist quasi-public authorities to create low-cost housing.

7. The protection of the investor and the saver. To defend the property rights of the American investor the New Deal set up the Securities and Exchange Commission and gave it wide powers to supervise the issuance of new securities by corporations, to obtain for investors adequate information about the financial practices of corporations and their directors and officers, and to regulate the functioning of brokers and the security exchanges, or markets, themselves. Similarly, the Federal Deposit Insurance Corporation was devised to guarantee deposits in savings banks accounts up to $5,000.

8. The rehabilitation of the electric power industry. Believing that an outlet for savings and a work of social reconstruction could be achieved in an expanded electric light and power industry, the New Deal created the Tennessee Valley Authority. The stated purposes were the rehabilitation of the population of the Tennessee Valley and the establishment of an experiment in the public operation of electric light and power. Focusing its attention on this industry as an example of banking domination, the New Deal also provided for the elimination of unnecessary holding companies.

9. The revival of foreign trade. The decline of foreign trade was a characteristic of our unbalanced economy. The New Deal sought to revive American overseas commerce; and for this purpose it created the Export-Import Bank to finance the flow of goods and even to extend credits to foreign governments. But the New Deal was equally interested in the restoration of world trade generally. Congress was therefore prevailed upon to permit the writing of reciprocal trading agreements with foreign nations as an executive function. Through the agency of the State Department (and without Senate participation) a large number of such commercial treaties was drawn up, the net effect of which was the measurable lowering of tariff barriers. These agreements also contained most-favored-nation clauses.

10. Pump priming. When private enterprise failed to respond immediately or when business activity became sluggish, the New Deal proceeded to lend and spend. This it called "priming the pump"; in other words, the Federal government boldly engaged in deficit financing in an effort to raise national income. It lent to distressed banks, railroads, insurance companies, mortgage corporations, and industrial concerns; and to farmers, homeowners, the states, municipalities, and newly created public authorities. It spent—by subsidies, grants-in-aid, outright appropriations—in order to rehabilitate marginal farmers, to finance the building of ships, to tear down slums and put up low-rent housing, to furnish old-age pensions, to construct public buildings, and to provide flood control, roads, and

reforestation. It not only gave people work, but at the same time added to the social wealth of the nation. This meant a steady increase in the national debt, a situation which the New Deal faced with equanimity because its theory of deficit financing was based on the premises that governmental spending made for an increase in national income and that an increase in national income made greater taxation possible. The nation was going into debt, it was true; but the debt was largely held at home, and, as a result of the debt, the country's assets had been increased. (So argued, at any rate, these new economics doctors.)

3. *THE NEW DEAL AGENCIES*

Such were the general New Deal policies and tactics designed to restore the American economy and make possible its smooth functioning, this time with more equity as far as the great masses of the country's population were concerned. A fuller description of some of the legislative enactments and the agencies set up is now in order.

Agriculture. Because its condition was critical, agriculture received the immediate, and the continuing, attention of the New Deal. The goals for recovery and reform were the following: (1) The establishment of parity prices, that is, the restoration of the farmer's purchasing power to the position it had held in the immediate prewar years. The period of August, 1909, to July, 1914, was fixed on as the base period, the assumption being that at that time the prices farmers paid were in balance with the prices they received. (2) The establishment of parity income. This concept later on replaced the concept of parity prices. It was the intention of the Department of Agriculture to obtain for agriculture the relative income, as compared with total national income, which it had been receiving in the prewar years. (3) The adjustment of farm production to meet market requirements. This meant chiefly adjustment to domestic consumption. Production was therefore curtailed and where surpluses appeared, they were to be held off the market by means of government loans. Justification for this attitude was subsequently found in the concept of the "ever-normal granary." (4) Soil conservation and improvement of land use. (5) Debt reduction and security against foreclosure at the hands of mortgagees. (6) Rural relief and rehabilitation for submarginal farmers and tenants.

The first legislative enactment to carry out the major intention of this program was the Agricultural Adjustment Act, which was passed in May, 1933, and continued on the statute books until January, 1936. It must be repeated that the underlying conception was that agricultural distress was due to overproduction, not to underconsumption; therefore the growers of the basic staples were to be induced to restrict plantings, ultimately on the basis of a quota system. As compensation they were to receive subsidies ("benefit payments") and crop loans, the government holding the surpluses off the market. This was for the purpose of raising the prices of agricultural goods; and they were raised. The original AAA tied together the subsidies with a processing tax on millers, meat packers, cotton ginners, and so on, and, principally for this reason, was found unconstitutional by the Supreme Court.

To get around the objections of the Court there were passed the temporary Soil Conservation and Domestic Allotment Act of 1936 and the Agricultural Adjustment Act of 1938. In both these measures the justification for governmental action was found in the necessity for protecting the land resources of the nation and for encouraging the utilization of improved methods of cultivation. Again subsidies—this time directly—and crop loans were to be the basic instruments for obtaining

compliance. The purpose of the commodity loans was to lay a floor below which farm prices could not fall.

Other major agricultural programs have already been noticed. The Emergency Farm Mortgage Act of 1933 was followed by the Farm Mortgage Refinancing Act of 1934, which created the Federal Farm Mortgage Corporation, under the direction of the Farm Credit Administration. The FFMC was given a revolving fund of two billion dollars in bonds, guaranteed as to principal and interest, which it could exchange for the bonds held by federal land banks and which it also could invest directly in farm mortgage loans. The FFMC succeeded in obtaining interest reductions and in scaling down the principal of farm obligations. After a series of unsuccessful experiments with resettlement projects, the Farm Security Administration was finally set up in 1937 to devise ways and means of bringing relief to distressed small farmers and agricultural laborers; the chief method employed was rehabilitation through social-service activities. This, too, worked out well.

Industry. The revival of industry was to be pushed chiefly through price-raising expedients; but industry was to police itself, in order to eliminate unfair methods of competition. Despite the fact that a major commitment of American industrial policy was the Sherman Anti-Trust Act, the New Deal was prepared to welcome the cartelization of American business. For this purpose, the National Industrial Recovery Act was passed in June, 1933. It set up a National Recovery Administration, under whose aegis every branch of American business was to form code authorities, and these code authorities were to draw up principles and practices guaranteeing "fair competition." Most of these codes, when completed, incorporated methods for establishing minimum prices and restricting production. In May, 1935, the Supreme Court—incidentally, to everyone's relief—found the NIRA unconstitutional on three grounds: that Congress could not delegate its legislative powers to private individuals, that is, the code authorities; that the Federal government could not legislate about industrial practices if these practices did not directly affect interstate commerce; and that a national emergency did not exist. The administration then returned to a vigorous enforcement of the antitrust laws.

Labor. The NIRA had incorporated and had made possible the establishment of certain fundamental rights of labor. Section 7(a) of the law had given workers the right to establish collective-bargaining agencies of their own choosing and had promised them minimum rates of pay, maximum hours of work, and other safeguards. The forty-hour week was generally established; minimum wages in most industries were put at between $12 and $15 a week; and the labor of children under sixteen years was banned.

The outlawing of the NIRA by the Supreme Court compelled the writing of new labor enactments. These took the form of the National Labor Relations Act in 1935 and the Fair Labor Standards Act (Wages and Hours Act) in 1938. The first was a great triumph for the country's workers and, indeed, was one of the outstanding achievements of the New Deal. It was frankly labor-oriented in that it was concerned only with industry's duties toward the workers: employers were obliged to bargain collectively with their employees and to give up all those industrial practices which might prevent the employees from properly realizing the objective of free trade-unionism. A specified number of unfair practices on the part of employers was accordingly rendered illegal. Also, when the workers were ready, they could call for an election to determine which trade union was to represent them in their negotiations with the employers. And finally, the National Labor Relations Board was set up, with wide powers. The board could decide which was to be the appropriate unit for the purposes of collective bargaining, that is, whether the unit was to be an employer unit, a craft unit, a plant

unit, or even a regional unit. The board was to conduct elections. It was to certify the trade unions duly chosen by the majority of workers involved as exclusive bargaining agencies. And it was to prevent unfair labor practices by the use of quasi-judicial powers similar to those exercised by the Federal Trade Commission in its own field.

The NLRB quickly received the cooperation of most employers. In a group of notable decisions in 1937, the Supreme Court validated the law. Indeed, the Court stretched the Constitutional concept of "interstate commerce" to such a degree that the NLRB's intervention in all labor disputes was made possible. Labor itself rose to its opportunity, and whereas in 1929 there were only 4,330,000 trade unionists in the country, at the end of the 1930s their numbers exceeded 11,000,000. Improvements in wage rates followed; and so did improvements in industrial relations, the outstanding new development being labor-management cooperation.

The Fair Labor Standards Act of 1938 was one of the country's most important pieces of welfare legislation. It established the forty-hour week, with time and a half for overtime, for all the country's industries. It provided for the creation of boards in all trades and businesses, which from time to time were to draw up minimum wage scales in order to "reach . . . the objective of a universal minimum wage of 40 cents an hour for each industry." And it virtually made possible the abolition of child labor by departmental order (in this case, the order of the Department of Labor).

Social Security. The Social Security Act of 1935 (amended in 1939) permitted the United States to catch up with those European countries that had pioneered in the field of social security some twenty-five years earlier. The act made provisions for the following: (1) An Old-Age and Survivors' insurance program, administered by the Federal government. Many categories of workers, in establishments employing eight or more persons, were to be assured retirement allowances at sixty-five years of age and after. The fund was to be built up by matching contributions from the workers and employers; and this contribution was initially put at 1 percent, for each, of wages and earnings up to $3,000 a year. Benefit payments were to be based on marital status, length of coverage, and the size of the over-all contributions. Dependent survivors were also to be provided for. (2) A program of unemployment compensation, to be administered in every case by the states themselves. Through the agency of a federal payroll tax of 3 percent on payrolls, as a compulsory device, states were to be encouraged to set up unemployment-insurance schemes. It is enough to say that all did so; that in most cases the contributions to the maintenance of these funds were coming from the employers alone; and that benefit payments ran from fourteen to sixteen weeks, with an initial maximum weekly benefit of about $15 and a minimum weekly benefit of $5. (3) Federal grants to states, more or less on a matching basis, to take care of outstanding problems of dependency. These included assistance to the needy aged, the needy blind, and to children under sixteen deprived of parental support; and also grants for the establishment of maternal and child-health services, medical and other services for crippled children, and welfare services for the care of homeless, dependent, and neglected children. A Social Security Board was provided to administer most of the provisions of the law. In May, 1937, in three important decisions, the Supreme Court gave its stamp of approval to the Act.

Currency and Credit. Currency expansion and bank-credit inflation were major preoccupations of the New Deal. In April, 1933, the United States formally went off the gold standard when an executive order stopped the free movement of gold both within and without the country. Congress gave its authorization through the passage of the Gold Repeal Joint Resolution of June, 1933, which

canceled the gold clause in all federal and private obligations. A step in the direction of increasing the amount of money in circulation was taken with the passage of the Thomas Amendment to the AAA in May, 1933. This permitted the President to issue up to $3,000,000,000 worth of United States notes; to reduce the gold content of the dollar as much as 50 percent; and to accept silver from foreign governments on the account of the intergovernmental debts, as well as to buy American-mined silver. In January, 1934, Congress enacted the Gold Reserve Act, and under it the President fixed the value of the dollar at 59.06 cents in terms of its old parity; in other words, the government was permitted to buy gold anywhere at $35 an ounce. The hopes here were two: to push prices up by devaluation and to give the United States an advantage in foreign trade.

Bank-credit expansion was linked with banking reform. The Banking Act of 1933 and the Banking Act of 1935 provided for the following changes in the country's banking policy: (1) A Federal Deposit Insurance Corporation, already referred to, was set up. (2) Banks belonging to the Federal Reserve System were to cut themselves off from their securities affiliates. (3) The government's hold on the Federal Reserve System was greatly extended through the creation of the Board of Governors of the System, all of whom were to be appointed by the President. (4) The Open-Market Committee was to be dominated by the Board of Governors and was to have control over the powers of expanding and contracting credit. (5) The Board of Governors was also given the right to raise (or lower) reserve requirements of member banks and to raise (or lower) margin requirements on security purchases. Credit expansion was pushed also through government loans, notably by the use of the RFC.

Power and Housing. The Tennessee Valley Authority was established in May, 1933; its powers have been alluded to above. In the domain of power control, extensive reforms were launched. The Public Utility Act of 1935 had two functions: to expand the authority of the Federal Power Commission over all utilities transmitting electricity across state lines; and to give the SEC the right to put an end to holding companies in the utility field.

Many acts were passed in the field of housing. The Home Owners' Loan Act of April, 1934, came to the relief of existing and would-be small homeowners, by permitting the refinancing of outstanding mortgage debt and by creating facilities for the financing of new home construction. The National Housing Act of June, 1934, set up the Federal Housing Administration to standardize methods of construction and financing for multiple dwellings. The United States Housing Authority (under an act of 1937, amended in 1938) was to make loans to local public bodies, created by state law, to provide low-rent housing and slum clearance.

Public Works and Relief. The New Deal sought to stimulate recovery by embarking on elaborate public-works projects. For this it received authority in the National Industrial Recovery Act, and the Public Works Administration was accordingly set up and given $3,000,000,000. But the programs moved tardily, with the result that in 1935 the administration began to put its reliance increasingly on the less expensive "made-work" projects of the Works Progress Administration. It was a considerable length of time before a proper program was devised to handle the case of the temporarily unemployed. In May, 1933, the Federal Emergency Relief Administration was set up; in October, 1933, there appeared the Civil Works Administration; and finally, in July, 1935, the Works Progress Administration. The WPA functioned well, not only making possible considerable additions to public plants but also providing employment as a substitute for outdoor relief. As for the unemployables, they were being handled by local home-relief agencies.

Financing the New Deal. The New Deal sought to charm back recovery by lending and spending on a vast scale. Up to 1935, the government made no serious effort to finance its spending program through taxation; and though after 1935 there was a good deal of tinkering with revenue acts, no new tax avenues were really explored. Deficit financing meant chiefly federal borrowings; as a result, the national debt steadily mounted.

4. THE PROGRESS OF RECOVERY

The Course of Business. The New Deal's spending and easy-money programs and its own confidence in the essential soundness of America's institutions slowly spread the processes of revival. Agriculture was the first to respond, but the country's industry was not slow to follow; so that up to the midsummer of 1937 (except for a brief recession in 1934) the course of business activity moved upward. By 1937, the general level of production reached the average normal of the 1920s. This is not to assume that recovery was complete, for it was not. In fact, recovery was slower in the United States than in any other industrial country. Thus industrial production was almost as high as it had been in 1929; but on the basis of past performances it should have been higher, for the population of the country was greater and the rate of productivity in industry was perhaps 25 percent higher.

The upshot was that the spring of 1937, according to the American Federation of Labor's estimates, still saw 9,700,000 persons out of work. Why was this? A number of reasons may be adduced. (1) The government's spending and lending policy frightened off new business investment. To this degree the popular charge that there was a strike of capital was true. (2) Whereas labor had before been receiving an inadequate share of the national income, under the New Deal its share probably was too great. This increased the costs of production. (3) There was no real revival in our foreign trade, largely because of the national-economic policies pursued by most of the countries of Europe.

In agriculture, thanks to the subsidy, loan, and controlled-production measures of the New Deal, definite improvement had occurred. In 1932 the cash income from the sale of farm products had been $4,300,000,000; in 1937, the income from sales and government payments was $8,500,000,000 (government payments, or subsidies, were in the neighborhood of $500,000,000 yearly). The ratio of prices received to prices paid—the index of agricultural well-being—had moved up hearteningly. In 1932 the ratio stood at 61; that is, the farmer's dollar, in terms of the goods and services he could get for it, was worth 61 cents. In 1937, the ratio stood at 93. Farm real-estate values also mounted.

The National Income. Also, by 1937 and again by 1939, the country had recovered much of the position lost as a result of the depression in terms of its national income. From the low of 40 billions of dollars reached in 1932, national income went up to 71.2 billions in 1937; and after the recession of that year, national income was restored to 69.4 billions in 1939. But this did not bring the country back to where it had been before the depression had set in; the reasons were that the population had increased by ten millions in the decade since 1929 and that the productivity of the nation's industrial plants had also improved. That is to say, if the recovery had been complete and full use of the nation's manpower and resources had been made, the real income should have been in the neighborhood of at least 100 billions of dollars.

Effects of Deficit Financing. In another area the success of the New Deal's policy was only of mixed character. It has already been

pointed out that the New Deal was spending large sums of money. Government bonds, bills, and notes for these sums flowed into the banks. The Board of Governors of the Federal Reserve System then followed a cheap money policy. They bought government bills and notes, and this led to an increase in the reserves of the member banks. Member bank reserves also grew through the inflow of gold from abroad. By these processes, the base of the credit pyramid was expanded. It was hoped that increased reserves would lead to increased bank deposits (as a result of commercial loans made by banks); and that increased deposits would lead to an expansion of employment and therefore greater spending.

But it did not work out that way. Deposits did grow because of government deficit financing. The banks, however, showed their increasing deposits in their investment portfolios rather than their loan portfolios. They were in other words, maintaining themselves in an amazingly liquid form; and the first hint of contraction of business encouraged them to liquidate their loans and discounts. Also, government's unbalanced budget and its taxation of corporate profits, without making due allowances for losses, led to a growing conservatism on the part of businessmen as far as the inception of risk-taking enterprise was concerned. It may be said, very properly, that there was a strike of capital—but this was not due so much to political hostility as it was to the uncertainties and the fears possessing business. The New Deal, in other words, appeared to be incapable, by its fiscal policy, of restoring that confidence in the business community that was really the basis of a real revival.

The key to the New Deal successes was therefore this: it was to be found not nearly so much in new capital borrowings by business or in any real expansion in bank credit. It was due largely to deficit financing; and when New Deal spending slowed down—as happened from midsummer 1937 to late spring 1938—then a real business recession set in. Only the resumption of a spending policy on the part of the New Deal made possible the revival of the summer of 1938. And the great war expenditures that began to appear with 1940 accounted for the impressive increases in industrial production and national income and for the elimination of unemployment.

5. *THE COST OF THE NEW DEAL*

The Debt. What did all this cost? From 1930 on, the road of deficit financing had been pursued—the New Deal notably stepping up the tempo after 1933—so that in the 1930s the federal debt was increased from about 16 billions of dollars to more than 40 billions. During the first years of the decade, the deficits which the Federal government encountered resulted from a decline in receipts from tax sources, whereas, under the New Deal, they had resulted rather from an increase in expenditures. During the years 1931–1933 federal expenditures were in the neighborhood of 4 billions of dollars annually; in 1934 they were 6 billions, and in 1937, 8.4 billions. The New Deal insisted that the deficit was not entirely incurred because of "made-work" activities. Thus for the years 1931–38 the total deficit was 20 billions. But against this amount were to be balanced assets arising from recoverable loans and expenditures on public-works construction; these came to 12 billions of dollars.

Taxes. At the same time that deficits increased, so did taxes. Federal taxes in 1931 came to 2.7 billions of dollars; in 1938 they stood at 5.9 billions. In 1931, federal taxes represented 4.5 percent of national income, whereas in 1938 the percentage was 9.5. Income-tax rates were pushed up; and in

1936, as a further tax on corporations, an undistributed-profits tax was levied. Because of the great hostility engendered, this device was abandoned in the Revenue Act of 1938. In 1930 at least 95 percent of all federal tax revenues were produced by income taxes, tobacco taxes, and customs duties; in 1938, these sources contributed 58 percent. The New Deal developed new tax sources, notably manufacturers' excise taxes, liquor taxes (because of repeal), and payroll taxes.

At the same time, it is important to note that the Federal government was not called upon to pay as much, proportionately, for its borrowings. The yield on United States government bonds was 3.65 percent in the second quarter of 1929 and only 2.7 percent in the last quarter of 1937.

6. *LABOR UNDER THE NEW DEAL*

In one sector there were real gains: organized labor grew, its rights were being safeguarded, and it was being paid better than ever before in its history. Too well, in fact, some authorities were prepared to argue. Interestingly enough, one of the important reasons for the extraordinary increase in trade-union membership (the other was the National Labor Relations Act) was the breaking out of a bitter internecine, schismatic dispute within the American Federation of Labor.

The CIO. The leader of the schismatics was John L. Lewis, the ambitious and dynamic head of the United Mine Workers. The 1920s had seen a slackening of effort on the part of trade-union leaders. They had become involved in business investments, had frowned on social-security programs, and were incapable of coping with or indifferent to the great horde of the unorganized in the mass-production industries. One of the important reasons for this was that most union leaders were spokesmen for highly skilled craftsmen who were fearful of the inroads being made into their own special interests by the assembly-line technique. John L. Lewis did not belong in the company of these less alert leaders. He had taken advantage of Section 7(a) of the NIRA to press unionization in the coal industry. He was more sympathetic to the problems of the workers in the mass-production industries (steel, automobiles, rubber, oil refining, aluminum) because so many of his own members were more and more entering the class of semiskilled.

In any event, Mr. Lewis challenged the top leadership of the A.F. of L. at its 1935 convention when he forced a vote on a resolution demanding that organizational work be pushed on industrial lines in the basic industries instead of on craft lines. This meant that all men in the automobile industry, for example, were to be organized into an automobile union, instead of being unionized as machinists, teamsters, stationary engineers, and the like. Mr. Lewis was defeated, but he found enough support at the convention to encourage him to form the Committee for Industrial Organization within the A.F. of L. The CIO went ahead and, before 1936 was over, it had the backing of ten national and international unions, some of which had begun on their own account to do missionary work among the unorganized.

This led to open warfare. In 1936 the executive committee of the A.F. of L. suspended the ten unions that had joined the CIO; the next year the A.F. of L. convention authorized the expulsion of those unions which refused "to return to the ranks of our movement." Nine of the unions were so expelled in 1938, and the gage of battle was down. Lewis accepted it when he and his followers formally met in convention late in 1938 and, in November, set up the rival body of the Congress of Industrial Organizations. To a great extent the A.F. of L. clung to its basic

role of organizing the skilled workers in craft unions, disregarding industrial groupings; while the CIO devoted itself to industrial unionism without paying attention to craft differences. But this did not prevent both bodies from cutting across the lines, so that a certain amount of dual unionism developed. What was profoundly significant was that the A.F. of L. became a fighting organization and explored the new opportunities for unionization as energetically as did the CIO. As a result, great gains were won by both, and when Pearl Harbor struck, each could claim at least 4,000,000 dues-paying members.

CIO Successes. The CIO's initial successes were unprecedented. It went into automobiles, revitalized the United Automobile Workers of America (which had been established in 1935), and challenged at once one of the greatest citadels of industrial power in the country, the General Motors Corporation. In December, 1936, strikes were called, and the sit-down (subsequently declared illegal) was used with telling effect. After forty days of bitter struggle, General Motors gave in and signed an agreement recognizing the union as the bargaining agency for its members in all the company's plants. The other automobile companies except Ford fell into line; even Ford capitulated in time. Next came steel, where a Steel Workers' Organizing Committee was formed, initially largely financed by the coal miners. Steel had been the hardest nut for trade unionism to crack as far back as 1892, when the disastrous Homestead Strike had destroyed the workers' organization. So completely did the SWOC do its work in the case of so-called Big Steel that in March, 1937, without a strike, the United States Steel Corporation signed an agreement much like that of the automobile industry. But the newer steel companies—they were called Little Steel and included the Republic Steel Corporation and the Bethlehem Steel Corporation—refused to yield, and bitter strikes swept the steel regions during May–July, 1937. Violence on both sides was common, with a good deal of vigilantism present. The stubborn resistance of the Little Steel leaders led to the failure of the strike in July. Other industrial areas where the CIO unions were successful were the Eastern maritime workers, the Western longshoremen, the rubber workers, and the aluminum workers.

A.F. of L. and CIO Rivalry. Meanwhile, the rivalry between the A.F. of L. and CIO grew in intensity. Both engaged in mutual recriminations, the A.F. of L. being charged with giving haven to racketeers, and the CIO being charged with permitting communists to infiltrate its ranks. Both charges were true. The driving ambitions of John L. Lewis attracted general attention, and his interests and pretensions were frequently associated with the purposes of trade unionism in general. In the second Roosevelt administration his ardor toward the New Deal cooled and he openly broke with the President, supporting Wendell L. Willkie in 1940. His tactics estranged one of his best supporters, the International Ladies Garment Workers, and this union left the CIO and rejoined the A.F. of L. in 1940. Mr. Lewis found increasingly less support among CIO unions, and the personal bitterness that developed led to a strange move on his part. He withdrew from the CIO in 1942, and in 1943 made application for readmission to the A.F. of L.! In 1946, the miners were back in the fold again. The A.F. of L. continued under the leadership of William Green, and the CIO was now led by Philip Murray, who had been one of Lewis's vice presidents in the coal miners' union.

The possibility of fusion was remote, although it is important to note that the rivalry between the two bodies occupied relatively little of the energies of trade-union leaders. Trade unionism in the country went ahead on seven-league boots, in many industries obtaining virtually 100 percent membership and writing closed-shop agreements with increasing frequency. This, then, was one of the outstanding—if not the most ironical—

achievements of the New Deal: it had made the American workers completely trade-union conscious and had converted them (except, perhaps, for the Australasians) into the most militant body of organized workers in the world. The trade unionists of the United States were not radical politically, only a small minority supporting a program of even mild state socialism; they were not entering politics as workers in their own parties; but they did fight constantly for improvement in working conditions. This was particularly true in connection with wage rates.

Wages and Productivity. Trade-union successes may have been too great as far as the effects on the total economy were concerned. Professor Sumner H. Slichter, for example, was able to argue that wage rates went up much more sharply than did productivity, the result being excessive additions to cost. This was likely to make the business enterpriser embarking on new ventures more cautious than he would ordinarily be. Professor Slichter pointed out that in the period 1921–26 physical productivity per man-hour in manufacturing increased 4.3 percent a year; in the period 1933–37 the increase was only 1.7 percent a year. Also, between 1921 and 1926, hourly earnings in manufacturing rose 8.4 percent; between 1933 and 1937, they rose 40 percent. Said Professor Slichter: "Physical productivity per man-hour grew twice as fast after 1921 as after 1933 or 1934, but wage rates went up twice as rapidly in the second period as in the first. These differences were not entirely compensated by price movements." And he came to this position: "For the time being, however, one must conclude that the spread of unionization tends to reduce the marginal return of capital."

7. *THE NEW DEAL CONTINUES IN POWER*

The Campaign of 1936. The hostility to the New Deal, particularly as recovery continued on its uneven way, became more outspoken; but to organize this opposition was not easy. Nothing proved this more surely than the outcome of the presidential election of 1936. The Republicans had met first in June, 1936, and had come out flatly against the New Deal and all its works. Their platform opened with the words, "America is in peril," and in this spirit they submitted the principles and the achievements of the New Deal to a bitter arraignment. While there had been a good deal of preconvention scrambling for votes, there was no real opposition to the candidacy of Governor Alfred M. Landon of Kansas. He was named on the first ballot, and with him was nominated Frank Knox of Illinois for the vice presidency.

Mr. Roosevelt dominated the proceedings at the Democratic convention, although he did not appear in person. The New Deal was in a defiant mood because of Supreme Court hostility (the Court had found unconstitutional the NIRA and the AAA, among other measures) and the growing disapproval of the business community. It challenged both and pledged the administration to a continuing fight on "the activities of malefactors of great wealth who defraud and exploit the people." President Roosevelt and Vice President Garner were renominated by acclamation. Victory at the polls was achieved as easily. Labor flocked to the defense of the Democratic ticket, while the Republican cause was not aided by the support of those unreconstructed conservatives who refused to see that trade unionism and social security had come to stay. Landon, who was personally a liberal and sympathetic to many of the New Deal achievements, was put in an equivocal position and he never recovered. The President's reelection was one of the most impressive demonstrations of the popular will in American politics. He received a popular vote of 27,751,000 to Mr. Landon's 16,680,-

ooo, and he carried every state but Maine and Vermont.

The Supreme Court Fight. Not only was Roosevelt's reelection a vote of confidence in the New Deal; it also put the stamp of approval on the President's fight against the Supreme Court. Or so he assumed. In any event, in February, 1937, there were sent to Congress a presidential message and a bill which called, in effect, for the packing of the bench. Justices might retire at the age of seventy; if they did not do so, the President had the right to appoint up to six additional members to supplement the nonretiring members. The storm that arose took the President by surprise. Party ranks were broken, old friends deserted ancient loyalties, and a bitter controversy raged in Congress and in the press for months. The President lost the support of his personal friend Governor Lehman of New York, and of Senator Wheeler of Montana, who had been one of the New Deal's most loyal defenders.

The backers of the President insisted that Congress was closer to the will of the people than the Court was. As Charles A. Beard put it: "Congress has the same right as the Supreme Court to be courageous and independent. If Congress . . . agrees with four of the Supreme Court Justices that five of the Justices have misread, misinterpreted, and in substance violated the Constitution, then Congress has the civic and moral obligation to bring the Court back within the Constitution." The President's opponents, on the other hand, feared the destruction of the country's Constitutional liberties if the Supreme Court was compelled to become the rubber stamp of the Executive. The President entered the lists in person and made two public addresses in which he declared frankly that there was "no definite assurance that the three-horse team of the American system of government will pull together" and that he wanted "to appoint Justices who will not undertake to override Congress or legislative policy."

The President was unsuccessful because of the hostility of the Senate. His bill was reported out adversely by the Senate Judiciary Committee; a long debate ensued, and when his chief whip, Senator Robinson of Arkansas died suddenly, the administration support collapsed. A substitute proposal was introduced and, because it pleased nobody, the Senate voted to recommit it on July 22. Thus the drama ended. For a short time, curiously enough, victory was with the President; for the withdrawal of three of his most persistent foes on the bench made it possible for him to appoint men who were more favorably disposed toward administration policies. Justice Van Devanter was succeeded by Senator Hugo Black of Alabama in 1937; Justice Sutherland was succeeded by Solicitor General Stanley Reed in 1938; and Justice Butler was succeeded by Attorney General Murphy in 1940. Now the Court began to talk with the tongue of the New Deal, and the President could say—as he did in one of his "fireside chats" in July, 1938—that while he had lost a battle he had really won the war. But victory—especially in the long run—was with the Court too; for its independence and integrity had been preserved, and it survived as an independent agency to fight again another day if American liberties should be threatened.

Slowing Down of the New Deal. From this time on, the New Deal as domestic policy became less and less aggressive. For one thing, the President was meeting with more resistance in Congress, notably among those Southern legislators who were beginning to find their alliance with labor spokesmen an uneasy one. But more important, the President, after his "quarantine" speech at Chicago of October, 1937, was turning his attention almost completely to foreign affairs. He saw, as did Churchill in England, that Nazism was not a European program but a plan for world conquest, and he sought to awaken Americans to their peril. New Dealism was increasingly preoccupied with recovery questions; and

here the chief weapons were the deficit financing of the Treasury and the control over banking policy of the Board of Governors of the Federal Reserve System. When the President, for example, sought to chastise those Congressmen and Senators who had failed to rally to him in the Supreme Court fight, by calling for their defeat in the elections of 1938, he was rebuffed by the electorate. The Republicans were beginning to creep up on the New Deal. In 1938 they elected governors in a number of states that had gone Democratic previously; and they won 80 seats in the House and 8 in the Senate. Cooperating with some 60 conservatives in the ranks of the Democracy, the Republicans were able to hold the more aggressive representatives of the New Deal in leash.

8. THE THIRD-TERM ELECTION

Whether Roosevelt entertained thoughts of a third term before World War II broke out is hard to say. But one may note that by 1940, particularly after the collapse of France in May, it was apparent to him that our involvement was a matter of time alone. In fact, were Britain to fall, a victory for the Axis was clearly on the cards. The continuance, unbroken, of a foreign policy which stood for defiance to the Axis and aid to Britain preceded all other considerations. The Axis had to be defeated; and if this meant the shattering of the third-term tradition, that could not be helped. So, apparently, ran the President's thoughts and the thoughts of his consistent followers, notably those in the ranks of labor.

The Republicans. The Republican delegates to the presidential nominating convention met at Philadelphia in June, 1940, in one of the most critical periods in American affairs. Division among Americans was quite as profound as it had been in the 1850s. Isolationists made light of the talk of our dangers at the hands of the Axis and were ready to accept the word of the Germans and the Japanese that the New Order was designed only for Europe, and the Co-Prosperity Sphere only for Eastern Asia. Interventionists were fearful, and they pointed not only to Hitler's military successes but also to the great victories gained by the Nazi ideology in our own midst and among the Latin American peoples. The Republicans were called upon to make a fateful choice. Interestingly enough, the choice was made not by the delegates but by the rank and file, who forced upon the convention the nomination of Wendell L. Willkie of Indiana and New York City. Willkie was named on the sixth ballot, and with him was nominated Senator McNary of Oregon.

Willkie was no standpatter; with much of the achievement of the New Deal he sympathized. He was opposed, however, to the New Deal's inefficiency and irresponsibility, to its hostility to business, and its willingness to build up a towering bureaucracy. On foreign policy he saw eye to eye with the President: Britain had to be aided, the Axis meant to fight us.

Outcome of the Election of 1940. Mr. Roosevelt said nothing about his successor to the Democratic convention at Chicago in July. While there was considerable opposition among party leaders to his being named, none came out into the open, and he was renominated on the first ballot. At his request, Secretary of Agriculture Henry A. Wallace was chosen as his running mate. The most important defection from the Democratic ranks was that of James A. Farley, who had nursed the President's political career throughout the long period of New York politics, and who had helped to elect him in 1932 and to reelect him in 1936. The charge of dictatorship had some effect on the voting; so did the issues of the European conflict as far

as European-born peoples in our midst were concerned. The larger farmers of the Middle West returned to the Republican fold, and some of the professional and white-collar supporters of the earlier elections also dropped out of the Democratic ranks. But the President was triumphantly reelected, although by a reduced majority. Roosevelt's popular vote was 27,000,000 against Willkie's 22,000,000; his electoral vote 449 against Willkie's 82. The Republicans carried ten New England and Midwestern states—and that was all.

9. *THE NEW DEAL AND THE PROBLEM OF BUREAUCRACY*

There was no doubt that the New Deal had come to grips with a series of important and pressing problems. From the social point of view, its accomplishment had been significant: it had sought to end insecurity and it had helped the American labor movement to mature. From the economic point of view, its programs had resulted in the raising of quite as many questions as it had sought to answer. It was in the political sector, however, that New Deal planning had stepped out boldly into the unknown; with what consequences to the traditional American way of life it was hard to measure.

Character of State Interventionism. For the New Deal had parted completely with the nineteenth century conception of the laissez-faire, or passive, state; Americans were fully launched on the experiment of state capitalism. The depression of 1930 and after had persuaded New Deal theoreticians that capitalism's progress in the United States had slowed down, if it had not ceased altogether. Now the state had to assume positive functions. Accordingly, its role as umpire was magnified and extended into other regions—as in the case of the establishment of the National Labor Relations Board and the Securities and Exchange Commission. Its social-service functions were expanded, particularly in the handling of the problems of the unemployed, the unemployables, and other dependents.

Nor was this all. Under the New Deal the state began to initiate projects and undertakings of a distinctly economic character. The national state, in short, was beginning to take on, in many domains, the essential color of private enterprise. It borrowed money, not alone for the maintenance of the traditional civil and military establishments of government, but also for the purposes of buying and selling commodities, processing goods, creating electric power and light, dealing in real estate, engaging in warehousing, the banking business, and the shipping and railroading businesses. It set up corporations and corporate agencies which possessed charters, directors, assets, thousands of employees, and industrial and mercantile policies. As in big business, there were interlocking directorates and the shifting of funds.

Problems Raised by Statism. This was a startling transformation; and it raised for many Americans disquieting problems. There were—even before our entry into World War II—at least fifty such New Deal corporations and corporate agencies which were in or could go into business. Some were created by Congress, some by presidential order, some by departmental decision alone. Often they were run by Cabinet officers who, in the nature of things, were compelled to delegate power to anonymous lesser officials. The pattern was too complex and too obscure for popular control.

To whom, in the final analysis, were these executive agencies to be responsible? To Congress? But Congress did not possess any longer a machinery sensitive enough for their surveillance. Its committee system had been laid out for a simpler day; and to keep track of all

the executive agencies would require a functionary group quite as complex as that already managing the new authorities and offices. By what tests was the worth of these new public bodies to be measured? By those of private business? But the New Deal authorities and offices did not have to enter the money market for fresh funds; they did not have to conserve assets; they were not called upon to present favorable profit-and-loss statements. Wage policies were fixed by statute and not by the competition of the market place.

How—most important of all—were the functionaries to be prevented from extending their authority? For here lay the real danger of a bureaucracy: that it tended to associate its own well-being with the general welfare. This was one of the vexing problems the New Deal had created. It was not possible to dismiss it lightly or to seek to disguise its perils by referring to the new state as the "social-service state." Even as the war progressed, the question of this new American bureaucracy could not be downed, and it was one of the important reasons for the increasingly critical tone that Congress took toward the President.

During the later years of the Roosevelt administration, however, these critical questions were latent, if not far below the surface. The country's response to unrest abroad was absorbing more and more the attention of all parties.

10. INTERNATIONAL RELATIONS UNDER THE NEW DEAL

Up to October, 1937—always excepting the Good Neighbor policy and Secretary of State Hull's reciprocal trading program—the New Deal's foreign policy had a definitely nationalistic orientation. Economic revival in the rest of the world apparently was not to be a direct concern of the United States; if America could reestablish high levels of employment and increase its national income, then our prosperity would flow out beyond our shores and in time cover the whole earth. That we had become fully integrated into world affairs politically and economically—and that we could not pull ourselves up by our own bootstraps—were ideas only dimly felt in Washington.

An American delegation was sent to London in June, 1933, to attend the World Economic Conference, which was to concern itself with the stabilization of currencies, the freeing of the flow of world trade, and international prices. And then suddenly by Roosevelt's order—and to the dismay of Europeans generally—the Americans refused to tie their currency to that of the British or promise to defend the gold standard. The conference ended in failure.

Congress showed no greater wisdom. In April, 1934, it passed the Johnson Act. Under this, those nations which had received loans from the American government during World War I and which after 1930 had defaulted on interest payments were denied the right to float public securities in the American money market. Thus American capital resources were not to be made available to the European powers for the purposes of assisting them in coming to grips with their own economic difficulties; or indeed in helping them obtain funds here for rearmament purposes after 1936, when the menace of Hitler had become very real.

The Good Neighbor Policy. In our relations with the countries of the Western Hemisphere we were more far-sighted. As has been pointed out, a good beginning had been made by Secretaries of State Kellogg and Stimson during 1927–33. Roosevelt, with the assistance of Secretary of State Cordell Hull, happily continued along these paths. In his

First Inaugural, Roosevelt had defined the Good Neighbor as one who "resolutely respects himself, and because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

When revolution broke out in Cuba, Roosevelt not only refused to intervene, but he also offered and sent American economic assistance to the distressed republic. In 1934, the new government of Cuba was recognized; and a few months later, our protectorate was terminated by the repeal of the Platt Amendment. The same summer saw the recall of American marines from Haiti; and in 1935, the United States relinquished its financial control over the Haitian government. Also in 1935, cooperating with Latin American governments, the United States succeeded in terminating the war between Chile and Paraguay; and in 1936 our treaty rights in Panama were given up and that little republic was now truly independent for the first time.

In January, 1936, Roosevelt appeared in person at the Pan American conference being held at Buenos Aires—he was the first President of the United States ever to have visited South America while in office—and gave further pledges of his devotion to the idea of the Good Neighbor. A consultative pact was signed under which the signatories pledged to consult together in the event of war or intervention in the Western Hemisphere. The United States was moving toward converting the Good Neighbor policy into a multilateral understanding.

This, in fact, was achieved in 1940 at the Havana Conference when the so-called Act of Havana was drawn up. The Act of Havana was prefaced by the statement that "the status of regions in this continent belonging to European Powers is a subject of deep concern to all the governments of the American Republics." And then the Act went on to pledge all the signatories to regard as an aggressive measure against all of them "any attempt on the part of a non-American State against the integrity or inviolability of the territory, the sovereignty, or the political independence of an American State." It is true that the Monroe Doctrine continued to be stated as an American unilateral declaration; but the Act of Havana reaffirmed it in multilateral terms. To this degree, therefore, the Latin American nations were prepared to accept the pledge of the United States that the Monroe Doctrine was directed against non-American Powers entirely.

Reciprocal Trade Agreements. The Reciprocal Trade Agreements Act of 1934 gave the President power to conclude with other countries conventions under which tariff rates could be reduced as much as 50 percent—all this without the need for calling upon Congress to approve. There was only one safeguard included in the act: no item was to be added to or taken from the free list. Under the law, the State Department was to draw up the agreements, being assisted in these activities by a series of interdepartmental committees headed by experts. Public hearings were to be held, in order to afford proper protection for the interests of American business groups. The most-favored nation idea was also provided for, so that concessions granted to one country would apply to all countries that did not discriminate against us. Thus the benefits of revision downward would spread out in widening circles, including not only those nations which signed agreements with us but also those nations with whom signatories of the American acts were writing new agreements.

By 1937, when the act was renewed for another three years, agreements had already been written with fourteen countries. These covered more than a third of our total foreign trade, and they had the effect of increasing foreign trade with the signatory nations more than 40 percent. America's tariff wall was still high; but, at least, we were showing good faith in our desire to break down barriers to free exchanges the world over. Congress con-

tinued to renew the Trade Agreements Act in the 1930s and 1940s.

The Neutrality Acts. Despite these manifestations of an interest in the world outside our shores, the prevailing American temper was isolationist. Nothing demonstrated this better than the Neutrality Acts of 1935, 1936, and 1937. As a result of the investigations of the Senate Munitions Committee, headed by Gerald P. Nye of North Dakota, Congress and a good part of the American people had become convinced that the munition makers had in very considerable measure been responsible for the entrance of the United States into World War I. To prevent our involvement in new international conflicts, therefore, Congress passed the first of its Neutrality Laws in August, 1935. This provided that upon the outbreak of war, an embargo was to be imposed by the President upon the export of implements of war; also, at his discretion, he might prohibit Americans from traveling on the ships of belligerent nations except at their own risk. The act was to be in force until February, 1936.

The second Neutrality Act—the joint resolution of February, 1936, which was to apply until May, 1937—further cut down the area of presidential discretionary action. In 1935, Italy had invaded Ethiopia, and Americans saw the League of Nations struggling ineffectively against this act of aggression. They were sure, therefore, they were on the right course; we must not be drawn into the troubles of Europe at any price. The second act, therefore, preserved the mandatory embargo on implements of war and permitted the President to extend it to other exports. Belligerent powers were to be denied the right to raise funds in American money markets.

Between the second and the third neutrality acts, civil war broke out in Spain; Italy, Germany, and Russia intervened; and the Berlin-Rome Axis was established. There was no doubt that an international conflict was impending. In such a climate, with the isolationists still in the saddle, the third Neutrality Act—the joint resolution of May 1, 1937—was drawn up. Unlike its predecessors, this was to be a permanent commitment. It continued the mandatory embargo on arms, munitions, and implements of war and the prohibition on credits to belligerents. It denied Americans the right to travel on ships of belligerents under any circumstances. It refused to allow American merchant ships to arm. And, for two years, all goods destined for nations at war were to come under the "cash and carry" provision: they were to be carried away in non-American ships and they were to be paid for before they left the country.

The Quarantine Address. Up to this time, Roosevelt's own attitude toward the disorders beginning to appear throughout the world remained unclear. So, in January, 1936, he was prepared to accept all the terms of the first Neutrality Act. Again, to the chagrin of many American liberals, it was the President himself who asked Congress in January, 1937, to impose an arms embargo on Spain—and this despite the fact that the duly constituted Loyalist government was being fought by insurgents openly supported by Italy and Germany. Further, in order to apply the arms embargo to the Italo-Ethiopian conflict, the President had declared a state of war in existence before diplomatic relations between the two countries had even been suspended. And on the other hand, he had refused to recognize a state of war in China, even after Japanese aggression had become unmasked, as early as 1931.

By 1936, it was apparent that Japan was ready to cut herself free from all international commitments. In January of that year, the Japanese delegation quit the naval conference in London because the other Powers would not grant Japan parity; this meant the denunciation of the London Naval Treaty of 1930 and the resumption of capital ship construction. And in November, Japan signed the Anti-Comintern Pact: it had taken its stand

beside the other two aggressors, Germany and Italy.

In July, 1937, the Japanese launched their full-scale offensive against the Chinese, when the Marco Polo Bridge incident opened hostilities. Before the year was over, without the formal declaration of war, Japan had extended its military operations over a good part of northern and central China. The Japanese poured armies into that unhappy country and engaged in atrocities against civilian populations.

One such was the general aerial bombing of the populous city of Nanking. It was after this attack that President Roosevelt came to understand that America no longer could remain an onlooker as the flames of war crept over the world. In Chicago on October 5, he delivered his famous Quarantine Address in which he called the attention of the American people to the fact that Japanese, German, and Italian aggression was imperilling our safety. And he issued this portentous warning to his fellow countrymen:

> Let no one imagine that America will escape, that America may expect mercy, that this Western Hemisphere will not be attacked and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization. . . . If we are to have a world in which we can breathe freely and live in amity without fear, the peace-loving nations must make a concerted effort to uphold laws and principles on which peace can rest secure. . . .

President Roosevelt declared boldly, therefore, that he would quarantine aggressors. From that day to the attack on Pearl Harbor, the administration left no stone unturned to prepare the United States against future eventualities.

Preparedness. In January, 1938, the President called Congress' attention to the fact that other nations were rearming; and he asked for new naval construction. Congress quickly complied and passed the administration measure much as the naval experts had drawn it up. The Naval Act of 1938 authorized the expenditure of more than a billion dollars on new capital ships, airplane carriers, and cruisers; the United States was beginning to move toward the development of that two-ocean navy which alone could defend the two seas on which it faced.

Meanwhile, relations with Japan were steadily deteriorating. In December, 1937, Japanese aircraft bombed and destroyed the American gunboat *Panay* on the Yangtsze River. It is true that the Japanese made immediate apologies and offered indemnification; but the State Department refused to assume that this was to be the last of the unfriendly acts of the Japanese toward the United States.

Checking Japanese aggression was not an easy matter, however. And America's position was becoming increasingly difficult as the European Powers themselves found no formulas to preserve peace. In September, 1938, England and France abandoned Czechoslovakia to its fate when they surrendered the Sudetenland to Hitler at Munich. In March, 1939, Hitler marched into Czechoslovakia with none to gainsay him; in the same month he took Memel. In April, Mussolini seized Albania. France and England knew that Poland was to be the next victim, and they declared unequivocally that they would fight if Hitler moved eastward. But Hitler was wiser than they assumed; he was not ready—yet—to wage a two-front war. He proceeded to assure his safety on the east by the German-Soviet Pact of August 22, 1939. On September 1, the German armies were in Poland and World War II had commenced.

Poland quickly fell while the French army sat behind the safety—so it believed—of the Maginot Line. And then, after they had exploited fully the psychological effects of the so-called "phony war" in the west, the German armies swung across the Rhine into the Low Countries and France. France, unprepared and badly led, fell in June, 1940. Only England stood out against the successful German Wehrmacht. And in September, 1940,

Japan, Germany, and Italy signed the Tripartite Pact, which bound them together in a military alliance.

Only now did America begin to put its house in order. The navy was granted further appropriations; the President was given the right to call out the National Guard; in September, the Selective Service Act was passed. To protect us from surprise attacks—and to help England—in the same month we released fifty over-age destroyers to the British navy in exchange for long-term leases in British possessions in the Western Hemisphere where we could build air and naval bases. Our vigilance toward the Japanese also was commendable. In July, 1940—to check the flow of vital war materials eastward—the Export Control Act gave the President power to curtail or prohibit the movement of such goods. Licenses were refused for the export of aviation gasoline and most types of machine tools. In October, the export of iron and steel scrap to Japan was embargoed.

Then, we committed ourselves. For, in March, 1941, Congress passed the Lend-Lease Act—and we were launched, as Roosevelt said, upon a "policy of unqualified, immediate, all-out aid for Britain, Greece, China, and for all the governments in exile whose homelands are temporarily occupied by the aggressors." An undeclared naval war broke out in the Atlantic; but Japan and not Hitler struck first.

Pearl Harbor. On June 22, 1941, without warning, Germany attacked Russia; and at the same time Japanese pretensions toward the whole of southeastern Asia were revealed. It was evident to America that Japan was preparing for a large-scale offensive that threatened not only French Indo-China (which indeed it had already occupied), but also Malaya, Burma, and the Netherlands Indies. We warned the Japanese against such moves; and for a time they temporized. They sent a new ambassador, Admiral Nomura, to Washington and he and Secretary Hull carried on discussions during the greater part of 1941. In November, Nomura was joined by a special emissary, Saburo Kurusu; there were further conversations, with Roosevelt and Hull both participating in them—but no agreements were reached. Meanwhile General Tojo, an open warmonger, had become the Japanese prime minister; and it was plain to American Ambassador Grew at Tokyo that Japan meant to fight. Washington was warned accordingly, and members of the administration, in public addresses, began to prepare the American people for hostilities.

The attack came from an unexpected quarter. Early Sunday morning, December 7, the Japanese struck at Pearl Harbor from the air. The next day, President Roosevelt appeared before Congress and asked for the declaration of a state of war. Congress complied at once, there being but one dissenting vote. Three days later, Germany and Italy declared war on the United States.

The United States was in World War II. It was committed to the destruction of the Axis Powers and to the termination of the threat of aggression everywhere. After more than twenty years, America had returned to take its place in that "one world" which it had mistakenly assumed it could disregard. American prosperity and security were linked with welfare and peace everywhere on the face of the earth. To this point the Third American Revolution had brought the American people, some three and one-half centuries after Elizabethan England had begun to dream of establishing settlements on the North American mainland.

THE AMERICAN MIND

FRANKLIN D. ROOSEVELT

IN THE MIDST of depression the presidential campaign of 1932 was waged, with Herbert Hoover the Republican candidate and Franklin D. Roosevelt the Democratic candidate. Roosevelt (1882–1945) had returned from defeat and illness to political life, won the New York Governor's chair in 1929, and had made himself the leading contender for the Democratic nomination. His platform pledged reform, relief, and economy. From his initial step, a flight to Chicago to accept the nomination, through the long course of his tour, the Democratic candidate's campaign broke precedents. Nowhere does Roosevelt's view of the American purpose appear more clearly than in his Commonwealth Club Address of September 23, 1932. To these Californians, Roosevelt spoke of principles, returning in a sense to the old conception of "political economy" as opposed to the more limited fields of "economics" on the one side and "politics" on the other. What is the purpose of government, Roosevelt asked, and to what end does it exist? He uses history to elucidate that question: the government of the United States was born during the long fight of the people against the excesses of centralized government controlled by a privileged class. That fight was reflected in the struggle between Jefferson and Hamilton. With Jefferson's triumph began the day of individualism, a political individualism soundly based on the opportunities of the frontier and the potentialities of the machine. In that setting, no checks were placed on means, so long as the great end of economic development proceeded unhampered.

As the nineteenth century ended, this concept of political economy showed itself at variance with fact. Theodore Roosevelt and Woodrow Wilson both tried to meet the problem, one by attacking "bad" trusts, at least; the other by attempting to stop the centralization of financial power. War put an end to the Wilson program. When the war was over, the Republican "return to normalcy" furthered all the tendencies which progressives of the pre-War decades had fought to control.

Now the United States sees its frontier gone, its foreign markets shrinking, and its opportunities to establish new enterprises curtailed. The United States must reconsider its values, Roosevelt argued: it must turn its attention from mere competitive promotion of development to the problems of unbalanced consumption and of foreign trade. Secular trends toward consolidation cannot be reversed. But responsibility can be enforced upon the possessors of economic power. Achieving such responsibility is the business of industry and finance; government should intervene only to protect the body of socially-minded businessmen against the "Ishmael or Insull whose hand is against every man," or in order to safeguard the interest of the public. In this fashion, Roosevelt clearly outlined the philosophy of the New Deal.

The November elections gave Franklin D. Roosevelt a great electoral majority. In the interregnum between the counting of the votes and March 4, Inauguration Day, the economic downturn that had extinguished the faint revival of the late summer became an avalanche. Unemployment swelled; financial institutions collapsed in spite of RFC loans; armed farmers resisted foreclosures in some areas; depression became deeper as the country's foundations seemed threatened.

In this atmosphere, Roosevelt delivered his

first Inaugural Address, a speech in which he addressed the nation by radio, as well as the people gathered to see the actual administration of the oath of office. He spoke confidently, outlining plans and giving assurances as he foreshadowed the legislative program of the New Deal:

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. . . . Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure, and have abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. . . .

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit. . . .

Recognition of the falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. . . .

Restoration calls, however, not for changes in ethics alone. This Nation asks for action, and action now.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war. . . .

. . . The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities. It can be helped by insistence that the Federal, State and local governments act forthwith on the demand that their cost be drastically reduced. It can be helped by the unifying of relief activities which today are often scattered, uneconomical, and unequal. . . . We must act and act quickly.

Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order: there must be a strict supervision of all banking and credits and investments, so that there will be an end to speculation with other people's money; and there must be provision for an adequate but sound currency. . . .

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo. Our international trade relations, though vastly important, are in point of time and necessity secondary to the establishment of a sound national economy. I shall spare no effort to restore world trade by international economic readjustment, but the emergency at home cannot wait on that accomplishment. . . .

In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and re-

spects the sanctity of his agreements in and with a world of neighbors.

If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we cannot merely take but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline, because it makes possible a leadership which aims at a larger good. This I propose to offer, pledging that the larger purposes will bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in time of armed strife. . . .

Action in this image and to this end is feasible under the form of government which we have inherited from our ancestors. Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. . . .

It is to be hoped that the normal balance of Executive and legislative authority may be wholly adequate to meet the unprecedented task before us. . . .

I am prepared under my constitutional duty to recommend the measures that a stricken Nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe. . . .

We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. . . .

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Commonwealth Club Address

BY FRANKLIN D. ROOSEVELT

. . . I WANT TO SPEAK not of politics but of Government. I want to speak not of parties, but of universal principles. They are not political, except in that larger sense in which a great American once expressed a definition of politics, that nothing in all of human life is foreign to the science of politics. . . .

The issue of Government has always been whether individual men and women will have to serve some system of Government or economics, or whether a system of Government and economics exists to serve individual men and women. This question has persistently dominated the discussion of Government for many generations. On questions relating to these things men have differed, and for time immemorial it is probable that honest men will continue to differ. . . .

When we look about us, we are likely to forget how hard people have worked to win the privilege of Government. The growth of the national Governments of Europe was a struggle for the development of a centralized force in the Nation, strong enough to impose peace upon ruling barons. In many instances the victory of the central Government, the creation of a strong central Government, was a haven of refuge to the individual. The people preferred the master far away to the exploitation and cruelty of the smaller master near at hand.

But the creators of national Government were perforce ruthless men. They were often cruel in their methods, but they did strive steadily toward something that society needed and very much wanted, a strong central State able to keep the peace, to stamp out civil war, to put the unruly nobleman in his place, and to permit the bulk of individuals to live safely. The man of ruthless force had his place in developing a pioneer coun-

try, just as he did in fixing the power of the central Government in the development of Nations. Society paid him well for his services and its development. When the development among the Nations of Europe, however, had been completed, ambition and ruthlessness, having served their term, tended to overstep their mark.

There came a growing feeling that Government was conducted for the benefit of a few who thrived unduly at the expense of all. The people sought a balancing—a limiting force. There came gradually, through town councils, trade guilds, national parliaments, by constitution and by popular participation and control, limitations on arbitrary power.

Another factor that tended to limit the power of those who ruled, was the rise of the ethical conception that a ruler bore a responsibility for the welfare of his subjects.

The American colonies were born in this struggle. The American Revolution was a turning point in it. After the Revolution the struggle continued and shaped itself in the public life of the country. There were those who because they had seen the confusion which attended the years of war for American independence surrendered to the belief that popular Government was essentially dangerous and essentially unworkable. They were honest people, my friends, and we cannot deny that their experience had warranted some measure of fear. The most brilliant, honest and able exponent of this point of view was Hamilton. He was too impatient of slow-moving methods. Fundamentally he believed that the safety of the republic lay in the autocratic strength of its Government, that the destiny of individuals was to serve that Government, and that fundamentally a great and strong group of central institutions, guided by a small group of able and public spirited citizens, could best direct all Government.

But Mr. Jefferson, in the summer of 1776, after drafting the Declaration of Independence turned his mind to the same problem and took a different view. He did not deceive himself with outward forms. Government to him was a means to an end, not an end in itself; it might be either a refuge and a help or a threat and a danger, depending on the circumstances. We find him carefully analyzing the society for which he was to organize a Government. "We have no paupers. The great mass of our population is of laborers, our rich who cannot live without labor, either manual or professional, being few and of moderate wealth. Most of the laboring class possess property, cultivate their own lands, have families and from the demand for their labor, are enabled to exact from the rich and the competent such prices as enable them to feed abundantly, clothe above mere decency, to labor moderately and raise their families."

These people, he considered, had two sets of rights, those of "personal competency" and those involved in acquiring and possessing property. By "personal competency" he meant the right of free thinking, freedom of forming and expressing opinions, and freedom of personal living, each man according to his own lights. To insure the first set of rights, a Government must so order its functions as not to interfere with the individual. But even Jefferson realized that the exercise of the property rights might so interfere with the rights of the individual that the Government, without whose assistance the property rights could not exist, must intervene, not to destroy individualism, but to protect it.

You are familiar with the great political duel which followed; and how Hamilton, and his friends, building toward a dominant centralized power were at length defeated in the great election of 1800, by Mr. Jefferson's party. Out of that duel came the two parties, Republican and Democratic, as we know them today.

So began, in American political life, the new day, the day of the individual against the system, the day in which individualism was made the great watchword of American life. The happiest of economic conditions made that day long and splendid. On the Western frontier, land was substantially free. No one, who did not shirk the task of earning a living, was entirely without opportunity to do so. Depressions could, and did, come and go; but they could not alter the fundamental fact that most of the people lived partly by selling their labor and partly by extracting their livelihood from the soil, so that starvation and dislocation were practically impossible. At the very worst there was always the possibility of climbing into a covered wagon and moving west where the untilled prairies afforded a haven for men to whom the East did not provide a place. So great were our natural resources that we could offer this relief not only to our own people, but to the distressed of all the world; we could invite immigration from Europe, and welcome it with open arms. Traditionally, when a depression came a new section of land was opened in the West; and even our temporary misfortune served our manifest destiny.

It was in the middle of the nineteenth century that a new force was released and a new dream created. The force was what is called the industrial revolution, the advance of steam and ma-

chinery and the rise of the forerunners of the modern industrial plant. The dream was the dream of an economic machine, able to raise the standard of living for everyone; to bring luxury within the reach of the humblest; to annihilate distance by steam power and later by electricity, and to release everyone from the drudgery of the heaviest manual toil. It was to be expected that this would necessarily affect Government. Heretofore, Government had merely been called upon to produce conditions within which people could live happily, labor peacefully, and rest secure. Now it was called upon to aid in the consummation of this new dream. There was, however, a shadow over the dream. To be made real, it required use of the talents of men of tremendous will and tremendous ambition, since by no other force could the problems of financing and engineering and new developments be brought to a consummation.

So manifest were the advantages of the machine age, however, that the United States fearlessly, cheerfully, and, I think, rightly, accepted the bitter with the sweet. It was thought that no price was too high to pay for the advantages which we could draw from a finished industrial system. The history of the last half century is accordingly in large measure a history of a group of financial Titans, whose methods were not scrutinized with too much care, and who were honored in proportion as they produced the results, irrespective of the means they used. The financiers who pushed the railroads to the Pacific were always ruthless, often wasteful, and frequently corrupt; but they did build railroads, and we have them today. It has been estimated that the American investor paid for the American railway system more than three times over in the process; but despite this fact the net advantage was to the United States. As long as we had free land; as long as population was growing by leaps and bounds; as long as our industrial plants were insufficient to supply our own needs, society chose to give the ambitious man free play and unlimited reward provided only that he produced the economic plant so much desired.

During this period of expansion, there was equal opportunity for all and the business of Government was not to interfere but to assist in the development of industry. This was done at the request of business men themselves. The tariff was originally imposed for the purpose of "fostering our infant industry," a phrase I think the older among you will remember as a political issue not so long ago. The railroads were subsidized, sometimes by grants of money, oftener by grants of land; some of the most valuable oil lands in the United States were granted to assist the financing of the railroad which pushed through the Southwest. A nascent merchant marine was assisted by grants of money, or by mail subsidies, so that our steam shipping might ply the seven seas. Some of my friends tell me that they do not want the Government in business. With this I agree; but I wonder whether they realize the implications of the past. For while it has been American doctrine that the Government must not go into business in competition with private enterprises, still it has been traditional, particularly in Republican administrations, for business urgently to ask the Government to put at private disposal all kinds of Government assistance. The same man who tells you that he does not want to see the Government interfere in business—and he means it, and has plenty of good reasons for saying so—is the first to go to Washington and ask the Government for a prohibitory tariff on his product. When things get just bad enough, as they did two years ago, he will go with equal speed to the United States Government and ask for a loan; and the Reconstruction Finance Corporation is the outcome of it. Each group has sought protection from the Government for its own special interests, without realizing that the function of Government must be to favor no small group at the expense of its duty to protect the rights of personal freedom and of private property of all its citizens.

In retrospect we can now see that the turn of the tide came with the turn of the century. We were reaching our last frontier; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the State. Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living. In that hour, our anti-trust laws were born. The cry was raised against the great corporations. Theodore Roosevelt, the first great Republican Progressive, fought a Presidential campaign on the issue of "trust busting" and talked freely about malefactors of great wealth. If the Government had a policy it was rather to turn the clock back, to destroy the large combinations and to return to the time when every man owned his individual small business.

This was impossible; Theodore Roosevelt, abandoning the idea of "trust busting," was forced to work out a difference between "good" trusts and "bad" trusts. The Supreme Court set forth the famous "rule of reason" by which it seems to have meant that a concentration of industrial power

was permissible if the method by which it got its power, and the use it made of that power, were reasonable.

Woodrow Wilson, elected in 1912, saw the situation more clearly. Where Jefferson had feared the encroachment of political power on the lives of individuals, Wilson knew that the new power was financial. He saw, in the highly centralized economic system, the despot of the twentieth century, on whom great masses of individuals relied for their safety and their livelihood, and whose irresponsibility and greed (if they were not controlled) would reduce them to starvation and penury. The concentration of financial power had not proceeded so far in 1912 as it has today; but it had grown far enough for Mr. Wilson to realize fully its implications. . . . The problem he saw so clearly is left with us as a legacy; and no one of us on either side of the political controversy can deny that it is a matter of grave concern to the Government.

A glance at the situation today only too clearly indicates that equality of opportunity as we have known it no longer exists. Our industrial plant is built; the problem just now is whether under existing conditions it is not overbuilt. Our last frontier has long since been reached, and there is practically no more free land. More than half of our people do not live on the farms or on lands and cannot derive a living by cultivating their own property. There is no safety valve in the form of a Western prairie to which those thrown out of work by the Eastern economic machines can go for a new start. We are not able to invite the immigration from Europe to share our endless plenty. We are now providing a drab living for our own people.

Our system of constantly rising tariffs has at last reacted against us to the point of closing our Canadian frontier on the north, our European markets on the east, many of our Latin-American markets to the south, and a goodly proportion of our Pacific markets on the west, through the retaliatory tariffs of those countries. It has forced many of our great industrial institutions which exported their surplus production to such countries, to establish plants in such countries, within the tariff walls. This has resulted in the reduction of the operation of their American plants, and opportunity for employment.

Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has been preempted altogether by the great corporations, and even in the fields which still have no great concerns, the small man starts under a handicap. The unfeeling statistics of the past three decades show that the independent business man is running a losing race. Perhaps he is forced to the wall; perhaps he cannot command credit; perhaps he is "squeezed out," in Mr. Wilson's words, by highly organized corporate competitors, as your corner grocery man can tell you. Recently a careful study was made of the concentration of business in the United States. It showed that our economic life was dominated by some six hundred odd corporations who controlled two-thirds of American industry. Ten million small business men divided the other third. More striking still, it appeared that if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations, and run by perhaps a hundred men. Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

Clearly, all this calls for a re-appraisal of values. A mere builder of more industrial plants, a creator of more railroad systems, an organizer of more corporations, is as likely to be a danger as a help. The day of the great promoter or the financial Titan, to whom we granted anything if only he would build, or develop, is over. Our task now is not discovery or exploitation of natural resources, or necessarily producing more goods. It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of underconsumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people. The day of enlightened administration has come.

Just as in older times the central Government was first a haven of refuge, and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire, but a danger. I would draw the parallel one step farther. We did not think because national Government had become a threat in the 18th century that therefore we should abandon the principle of national Government. Nor today should we abandon the principle of strong economic units called corporations, merely because their power is susceptible of easy abuse. In other times we dealt with the problem of an unduly ambitious central Government by modifying it gradually into a constitutional democratic Government. So today we are modifying and controlling our economic units.

As I see it, the task of Government in its relation to business is to assist the development of an economic declaration of rights, an economic constitutional order. This is the common task of statesman and business man. It is the minimum requirement of a more permanently safe order of things.

Happily, the times indicate that to create such an order not only is the proper policy of Government, but it is the only line of safety for our economic structures as well. We know, now, that these economic units cannot exist unless prosperity is uniform, that is, unless purchasing power is well distributed throughout every group in the Nation. That is why even the most selfish of corporations for its own interest would be glad to see wages restored and unemployment ended and to bring the Western farmer back to his accustomed level of prosperity and to assure a permanent safety to both groups. That is why some enlightened industries themselves endeavor to limit the freedom of action of each man and business group within the industry in the common interest of all; why business men everywhere are asking a form of organization which will bring the scheme of things into balance, even though it may in some measure qualify the freedom of action of individual units within the business. . . .

I feel that we are coming to a view through the drift of our legislation and our public thinking in the past quarter century that private economic power is, to enlarge an old phrase, a public trust as well. I hold that continued enjoyment of that power by any individual or group must depend upon the fulfillment of that trust. The men who have reached the summit of American business life know this best; happily, many of these urge the binding quality of this greater social contract.

The terms of that contract are as old as the Republic, and as new as the new economic order.

Every man has a right to life; and this means that he has also a right to make a comfortable living. He may by sloth or crime decline to exercise that right; but it may not be denied him. We have no actual famine or dearth; our industrial and agricultural mechanism can produce enough and to spare. Our Government formal and informal, political and economic, owes to everyone an avenue to possess himself of a portion of that plenty sufficient for his needs, through his own work.

Every man has a right to his own property; which means a right to be assured, to the fullest extent attainable, in the safety of his savings. By no other means can men carry the burdens of those parts of life which, in the nature of things, afford no chance of labor; childhood, sickness, old age. In all thought of property, this right is paramount; all other property rights must yield to it. If, in accord with this principle, we must restrict the operations of the speculator, the manipulator, even the financier, I believe we must accept the restriction as needful, not to hamper individualism but to protect it.

These two requirements must be satisfied, in the main, by the individuals who claim and hold control of the great industrial and financial combinations which dominate so large a part of our industrial life. They have undertaken to be, not business men, but princes of property. I am not prepared to say that the system which produces them is wrong. I am very clear that they must fearlessly and competently assume the responsibility which goes with the power. . . .

The final term of the high contract was for liberty and the pursuit of happiness. We have learned a great deal of both in the past century. We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man's meat is not another man's poison. We know that the old "rights of personal competency," the right to read, to think, to speak, to choose and live a mode of life, must be respected at all hazards. We know that liberty to do anything which deprives others of those elemental rights is outside the protection of any compact; and that Government in this regard is the maintenance of a balance, within which every individual may have a place if he will take it; in which every individual may find safety if he wishes it; in which every individual may attain such power as his ability permits, consistent with his assuming the accompanying responsibility. . . .

Faith in America, faith in our tradition of personal responsibility, faith in our institutions, faith in ourselves demand that we recognize the new terms of the old social contract. We shall fulfill them, as we fulfilled the obligation of the apparent Utopia which Jefferson imagined for us in 1776, and which Jefferson, Roosevelt and Wilson sought to bring to realization. We must do so, lest a rising tide of misery, engendered by our common failure, engulf us all. But failure is not an American habit; and in the strength of great hope we must all shoulder our common load.

ALVIN H. HANSEN

LATE IN THE NINETEEN THIRTIES, an economic theory made its appearance in America that captured the imaginations of many academicians and won strong support among New Deal functionaries. Indeed, this analysis of the state of the industrial arts and economic progress in America underwrote the whole governmental program of intervention, for it was based upon the assumption that we had become a "mature" nation. The theory was formulated by Alvin H. Hansen (1887–), professor of economics at Harvard University, and in large measure was derived from J. Maynard Keynes's *General Theory of Employment, Interest and Money*, published in 1936.

The position taken by Hansen was the following. The vitality of American capitalism is spent; ours is a mature economy and the only fate in store for us is secular, or long-term, stagnation. What we may continue to look forward to, like the poor wretches in limbo, is neither hope nor release; our future is a sequence—in the words of one of Hansen's disciples—of "long and severe depressions and brief, anemic recoveries." This analysis is based on the following assumptions. (1) Our frontier is gone. (2) The rate of American population increase is tapering off; soon we shall have only a stationary population for which to provide. (3) New and revolutionary innovation in the field of industry is no longer possible. (4) Savings pile up; opportunities for private investment diminish; the only large employment for saved funds is in the replacement of used-up capital plant. (5) But great corporations also have sizable accruals—in depreciation reserves and undistributed profits; they are therefore capable of self-financing without the need for resorting to the money market. The result is, idle funds set in the inevitable train of lower production and incomes; and we move from crisis to crisis with secular stagnation as the leading characteristic of our economy. The state must step in—largely through fiscal policy—to maintain income and employment.

The fiscal policies advocated by Hansen and his supporters—and these were at the basis of much of New Deal interventionism—are largely two in nature: the first calls for the checking of "excessive" savings, particularly those of corporations and of individuals in the high and middle income brackets; and the second for a "compensatory" fiscal program—spending by government through the device of deficit financing. The reader is referred to John H. Williams's article *Deficit Spending*, also reprinted in this part, for a critical examination of this theory and policy.

The selection here reprinted is from Hansen's *Fiscal Policy and Business Cycles* (New York, 1941) and is published by permission of W. W. Norton and Company.

Fiscal Policy and Business Cycles

BY ALVIN H. HANSEN

THE THIRTIES VIEWED AGAINST THE BACKGROUND OF EARLIER CYCLES

THE GREAT DEPRESSION, beginning in 1929, which had only partially been overcome, at any rate in the United States, by the end of the thirties, has been characterized as something quite unique in the long history of business cycles. To be sure, in a sense every cycle is unique and has special characteristics of its own. When, however, it is said that the Great Depression was a unique phenomenon, something else is meant than the ordinary degree of variation in duration and depth which we find from cycle to cycle. . . .

The upward and downward movements, which together make business cycles, are now commonly believed to be mainly associated with fluctuations in the volume of real investment. We distinguish

between real investment and financial investment. When one purchases a share in a corporate enterprise or a bond or a mortgage, one is making a financial investment. When one, however, builds a house or a factory or a machine, one is making a real investment. Real investment may, of course, be measured either in value terms or in quantitative terms.

The fluctuations of cyclical movements may be characterized in terms of either money income, real income (the output of material goods and services), or employment. These three categories, to be sure, are not identical. Money income is a function both of real income and of price movements, while real income or output differs from employment by reason of changes in productivity. Cyclically, however, the three move more or less in consonance, though the trend movement is likely to differ considerably under varying circumstances. For certain problems it is extremely important to differentiate sharply between them. But frequently in discussing economic fluctuations or cyclical movements all three may be regarded without serious error as moving together, whether in the upswing or in the downswing. This is particularly true for the short-run movements but less true for the longer-run developments. . . .

Major and Minor Cycles. Quite commonly, particularly in America, the term "business cycle" is applied with reference both to what is called the minor cycle and to the major cycle. And with respect to the term "depression," equally the term is applied both to minor recessions and to major depressions. In Europe, when the business or trade cycle is spoken of, reference is usually made to what we call the major cycle.

On the whole it is, we think, preferable to concentrate attention upon the major cycle in business cycle analysis. But it is not possible in doing so to overlook the fact that, particularly in the upswing phase of the major cycle, there regularly occurs, especially in American experience, one or sometimes two interruptions to the upswing movement. In seven of the fifteen major cycles in the period from 1807 to 1937 there were two minor recessions, and in eight of the major upswings there was one minor recession. Since 1883, out of six major cycles two were interrupted by two minor recessions and four by one minor recession.

The major upswing, as we have already noted, can be characterized essentially as an expansion in the rate of real investment. For the purpose currently at hand, it is most useful to classify real investment into the two categories suggested above: (a) inventories of commodity stocks and (b) real investment in fixed capital, including plant and equipment, housing and public construction. When an upsurge in real investment occurs, it is not unusual for the spurt in inventory accumulation to run ahead of the normal requirements indicated by the rising trend. When this is the case, sooner or later a temporary saturation in inventory accumulation develops, leading to an inventory recession. Not infrequently the minor setbacks experienced in the major upswings may be characterized as inventory recessions. But sometimes other situations may initiate or aggravate these minor recessions. Thus, for example, in the beginning of the major upswing it may be that large investment in improved machinery occurs and that after a time a temporary saturation is reached in this type of investment leading to a recession. The general buoyancy of the upswing, however, soon starts the economy upward again with a further burst of real investment after the temporary setback thus sustained. Sometimes special situations are partly responsible for minor recessions, such as critical international developments, labor disturbances, or even special factors having to do with major industries, such as the Ford shutdown in 1927. Regularly, however, inventory movements play an important role. . . .

The major cycles vary in length from a minimum of six years to a maximum of twelve years, though with rare exceptions they fall within the range of seven to ten years, the average being slightly over eight years. The minor cycles have a range of from a minimum of two years to a maximum of six years, though they usually fall within the range of three to four years, with the average slightly over three and one-third years. . . .

The So-called "Long Waves." But there are still other factors of a long-run character which influence the major business cycle and which help to explain the depressed thirties. Many writers, including Kondratieff, Spiethoff, Mitchell, Thorp, Schumpeter, Woytinsky, Ciriacy Wantrup, and others, have noted the important fact that the past experience of the Western world indicates prolonged periods of relatively good times, extending far beyond the boundaries of the major business cycle and even of the building cycle; and similarly prolonged periods of more or less chronic depression, within which, however, the swings of the business cycle occur. . . .

Within these long periods of good times, on the one side, and bad times, on the other, there occur, modified however as indicated above, the more or less regular swings of the major business cycle, the temporary recessions of the minor cycles, and also the more or less regular swings of the eighteen-year building cycle. But since the long periods of

buoyant prosperity or chronic depression extend beyond any of these phenomena, there is reason to suppose that there are other factors which have not been fully taken account of in the discussion either of the major and minor business cycles or of the building cycles. . . .

The dates usually assigned to these periods of preponderantly good times and bad times—or "long waves," if this term is preferred—are approximately as follows:

Good Times	*Bad Times*
1787–1815	1815–1843
1843–1873	1873–1897
1897–1920	1920– ?

It is interesting to note that in each of the long periods of good times there developed four major recoveries and three major depressions, while in each downswing there occurred two major recoveries and three major depressions. The turning point both at the top and at the bottom of the "long waves" coincides with the turning point of a major business boom or depression. . . .

Just as the major business cycle has not always been completely synchronous in the various industrial countries, so also it is not always possible to fit all countries neatly into the intervals designated as long periods of buoyant expansion or prolonged bad times. For the most part, however, the experience of different countries conforms with the periods outlined above. With respect to the current phase, the thesis is perhaps defensible that for the western European countries the economic development from 1920 on justifies characterizing it as the beginning of a prolonged period of hard times. With respect to the United States, however, in view of the high prosperity of the twenties, it is difficult to justify placing the United States in such a category. There is, however, the undoubted fact, of which cognizance must be taken, that the decade of the twenties was preponderantly a period of hard times for agriculture. From the standpoint of employment in urban industry as a whole, the twenties must clearly be characterized as a decade of preponderantly buoyant prosperity. It is possible that the most reasonable classification is to make 1920 the turning point for the European countries and 1929 the turning point for the United States. . . .

Three major explanations have been offered for these long periods of good and bad times. One runs in terms of technological developments, innovations, exploitation of new resources, and the opening of new territory. This explanation has been advanced notably by Spiethoff, Wicksell, and Schumpeter. A second explanation runs in terms of war. This explanation has been advanced prominently by Ciriacy Wantrup and has also been noted by Kondratieff and Wicksell. A third, running in terms of gold and price movements, has been advanced by Cassel, Warren and Pearson, Woytinsky, and others.

According to the first theory, the periods of prolonged good times are periods in which there is a favorable underlying basis for the growth of real investment in the development of technology, innovations, and the discovery of new resources. In such periods, it is said, the pace of technological progress is accelerated far beyond what may be expected from the usual run of multitudinous inventions, each of relatively small significance. In the long periods of good times quite revolutionary new techniques are introduced which profoundly change the character of the whole economy. In the periods of the prolonged hard times these exceptional technological developments are damped down or run out. The great investment opportunities exploited in the preceding period of good times are now largely exhausted. General technological improvements of a less profound character are, to be sure, going on, gradually raising the productivity of labor and increasing the real income. Indeed, the great technological advance and the vast real investments completed by the end of the long period of good times become the foundation upon which an advancing real income is projected into the succeeding period of preponderantly hard times. The rise in income experienced in this period is a function of the higher productivity of the factors of production achieved by the technical advance of the preceding period, but the preponderance of hard times reveals itself in a marked degree of unemployment and in the failure of the upswings of the major business cycles to reach a condition of full economic activity.

Professor Schumpeter, with his emphasis on the role of innovations, explains the prolonged good times of the first long wave by the emergence of the Industrial Revolution and the first long period of hard times by the readjustments and adaptations necessary once this new structure had become more or less firmly incorporated into the economic system. The second period of buoyant good times he explains by the admittedly new revolutionary technique which perhaps more than anything else has profoundly altered the character of modern industrial civilization, namely, the railroad. There can be no question that the development of the railroad opened up vast real investment outlets throughout the Western world, and that this gave a continuous upward push to the economy, making every burst of investment associated with the

major business cycle a pronounced and strong one and tending to weaken the forces making for depression. In the last quarter of the nineteenth century, however, came a sharp decline in the rate of growth of the railroad industry. The third period of prolonged good times Professor Schumpeter explains by the emergence of the electrical, chemical, and automotive industries. Wicksell, in his famous Chapter XI in *Interest and Prices*, published in 1898, emphasized fundamentally the same technological factors which are heavily relied upon in Professor Schumpeter's explanation. Spiethoff similarly stresses technological developments in his analysis. . . .

. . . Thus, off balance, we conclude that gold and monetary factors play a subsidiary role and that the main causes of the long periods of good times and of chronic depression must be sought in technological and innovational factors, and at times in greater or less degree in the fiscal policies of governments hitherto related mainly to the conduct of war.

According to the technological and innovational thesis, the electrification and motorization of the American economy dominated the period from the late nineties to 1929. From this standpoint this epoch may be compared with the period of rapid expansion in railroadization from the middle forties to the decade of the seventies. Both of these innovations caused a profound structural change in economic life and institutions. Both relate mainly to speed of communication and transportation. Both opened up enormous opportunities for real investment, not only directly in the railroads, in automobile factories, and in roads, but also in a vast network of underlying and supplementary industries, including for the last period, glass, rubber, steel, cement, electrical appliances, petroleum, and the like. These epochs are clear illustrations of the profound impact of the rise of quite new techniques giving birth to a range of new industries and expanding and developing old ones into new lines. Both epochs represent a period of rapid growth and expansion. But all new developments finally reach the stage of maturity. Thus, new railroad mileage experienced a rapidly rising trend from the middle forties to the decade of the seventies, and thereafter flattened out with, however, a major spurt in the middle eighties, and eventually in the nineties sharply declined. Similarly, the production of automobiles and the construction of roads experienced a rapid growth into the decade of the twenties. But this rate of growth could obviously not be continued indefinitely. Automobile production gradually reached an asymptotic level after 1923, and the curve of the construction of roads similarly flattened out toward the end of the twenties and thereafter declined.

In the long sweep of technological and innovational developments the decade of the thirties is, therefore, in many respects not unlike the fourth quarter of the nineteenth century, with its deep depressions of the seventies and the nineties. Thus, against the background of earlier experience the decade of the thirties is more understandable.

The early expansion of the railroad served to promote vigorous booms and to cut short temporary lapses into depression. But progressively the railroad reached maturity and eventually ceased to grow. The mere slowing down in the *rate* of growth caused an absolute decline in the volume of new investment required in the plant and equipment of subsidiary industries, such as iron and steel, which manufactured the materials that went into railroad construction. Those who point to the high level of new railroad construction which continued on into the eighties miss the point. It is not enough that new railroad construction should continue at the high level reached. New construction must *continue to rise at a constant rate* if new investment in the underlying, subsidiary industries is to be maintained at the pace set. Thus, the mere slowing down in the *rate of increase* in new railroad construction was already beginning to have a damping effect on the economy long before there was an actual decline in the volume of new construction. This is the important lesson which we learn from the acceleration principle. The sharp decline in railroad construction in the decade of the nineties was a significant factor in that depressed decade.

But now a new era of buoyancy superseded the railroad era—the era of electricity and motorcars. The three decades 1900–29 witnessed the rise of four new giant industries. Street cars led the way in the nineties and reached its investment peak ($2.5) in the decade 1900–09. Capital outlays on telephones increased rapidly after 1900 and doubled in each of the two succeeding decades, rising to $2.5 billions in the twenties. Electric power investment first assumed large proportions in the decade 1900–09 ($1.7 billions), increased 50 per cent in the following decade, and leaped forward with a capital expenditure of $8.1 billions in the twenties. Automobile production, from only 4,000 units in 1900, rose to 187,000 units in 1910, 1,000,000 in 1915, 2,200,000 in 1920, 4,400,000 in 1925, and 5,600,000 in 1929. Garages, repair shops, and service stations multiplied throughout the country. Thus, the automobile industry not only fostered gigantic production plants, largely con-

centrated in a single industrial area, but also opened opportunities for thousands of small business units located in all sections of the country roughly in proportion to the consuming population. Major subsidiary industries were created or expanded on the tide of the vast purchasing power of the automobile industry, including such giants as Petroleum, Rubber, Glass Plate, and Steel. Finally, outlays on public roads, largely induced by the rise of the automobile, reached the figure of $9.9 billions in the decade 1920–29.

Thus, an era of buoyant prosperity was generated by the growth of four great industries: street railways, telephone, electric power, and automobile industries (including Petroleum, Rubber, and Glass Plate, largely accessory to the Automobile). Also important, but nevertheless dwarfed by the four giants, were the movie, chemical, and electrical equipment industries.

Just as the railroad expansion came to an end, so also the buoyant era of 1900–29. Street railway development was largely completed in the first decade, telephone and automobile expansion in the third decade. Electric power alone remains with large prospects for further growth. The great era of expansion was over by 1930. Thus, the decade of the thirties resembles the conditions in the nineties. Technological developments making for expansion had temporarily spent their force. This does not mean, however, that eras of buoyant expansion are permanently a thing of the past. The progress of technology, we can be reasonably certain, will sooner or later open outlets for enlarged streams of investment in great new industries.

Structural Changes in American Economy. Thus far we have seen that the decade of the thirties is largely understandable in terms of past experience. But our analysis would remain incomplete if we neglected to consider one important structural change in our economy for which we have no precedent in the past. Always, in the past century, expansion has rested not merely on *intensive* investment arising from technological progress, but also on extensive growth—the occupation of new territory and the growth of population. The nineteenth century was a unique era of *extensive* growth.

Approximately in the period of 1915–30, the rate of extensive growth rapidly slowed down. The decennial increment of population growth in northern and western Europe, including the three great powers, the United Kingdom, Germany, France, and the smaller northern and western countries—Scandinavia, Finland, Belgium, Holland, Switzerland, and the Irish Free State—continued to rise, or at any rate did not decline materially until the first World War. The following table (calculated from Kuczynski's *The Balance of Births and Deaths*, p. 9) gives the approximate increases for the *eleven* countries of northern and western Europe referred to above. The period 1913 to 1926 is omitted, since the war abnormally reduced the rate of population growth. The decade 1926–36 may be regarded as representative of post-war normal rate of growth.

Decade	*Increase*
1883–93	10,290,000
1893–03	14,950,000
1903–13	14,510,000
1926–36	9,468,000

In the United States the decline came later, as shown in the table which follows:

Decade	*Increase*
1900–10	16,138,000
1910–20	14,923,000
1920–30	15,901,000
1930–40	9,218,000

In northern and western Europe the turning point came with the first World War. In the United States it came in 1924.

The expansion of Europe into new territory (in terms of both migration and foreign investments) came to an abrupt halt in the first World War and, while resumed in the twenties, did not again attain its former level. In the United States the expansion into the great West was followed by several decades of urbanization; and then we turned (via capital export) on a large scale to less developed countries. This movement ended in the Great Depression. Doubtless, under more favorable political conditions, there is still room for considerable foreign investment in the less industrialized parts of the world, and it may be expected again sooner or later to be resumed on a fairly large scale. But no one is likely to challenge the statement that the era of development and settlement of new territory is largely over. The role of territorial expansion is likely to be much less in the next half century than was the case in the nineteenth century relative to national income.

The rapid decline in population growth and the exhaustion of the world frontier may well have a causal interconnection. Certainly it is true that, so long as there were great new territories to be opened and developed, rapid population growth was a healthy economic development. With an increasing exhaustion of opportunities for settlement and exploitation of new territory, the continuation of the nineteenth-century rate of popu-

lation growth would rapidly have given rise to insoluble economic problems.

It is true that the sudden and drastic decline in the rate of population growth so far has affected mainly western Europe, and highly developed industrial countries, such as the United States. It is also true that there are still areas which have a long way to go in the process of industrialization. But just as the rate of population growth in the highly industrialized countries has rapidly declined and in some is approaching zero, so also the possibilities of large outlets for foreign investment by these countries appear meager, in terms of national income and wealth, in comparison with those of the nineteenth century. While it is not possible statistically to measure the rate of decline in investment opportunities with the precision that is possible with respect to population growth, in general the two movements appear to exhibit a somewhat parallel development. . . .

Population growth and territorial expansion opened vast outlets for *extensive* investment of capital. But, it is argued, may not equally favorable opportunities for *intensive* investment take their place? The answer appears to be that in the past we have enjoyed opportunities for *both* extensive and intensive investment. Now *extensive expansion* is largely over, and there remains only the possibility of intensive developments. But intensive investment is not something new. Intensive and extensive developments have proceeded together, each reinforcing the other. New technological developments underlie the nineteenth century of expansion. But population growth and the penetration into new territory, in turn, played an important role in the widening of the market and the development of mass production techniques. Extensive expansion minimized the risks of technological innovations and encouraged bold experimentation. Thus extensive expansion stimluated intensive expansion. On the other side, the pressure to find investment opportunities, in view of the slowing down of extensive growth, will be greater in the future. Industrial research is now far more systematic and more generously financed than ever before.

The era of buoyant prosperity (1844–73), based largely on the railroad, was intimately linked up with extensive growth and expansion. The next buoyant era (1900–29), based on electricity and the automobile, had less to do with mere extensive growth and expansion into new territory, and involved a much more radical transformation in consumption habits and ways of living. This sort of transformation, involving vast investment of capital, can take place without extensive growth, and under the progress of technology we shall doubtless experience again far-reaching revolutionary innovations of this sort. There is, perhaps, inherent in the process of innovation a cumulative tendency which may be described in terms of a geometric progression. That this was true, even of the past century, is at least in part supported by the fact that the percentage rate of increase in per capita real income was approximately a constant. It is, of course, always possible that the rate of technological development may in the future exceed the geometric rate of the past, but here obviously one enters a field of speculation which can be settled only by the actual course of future historical events. It is, at any rate, a question whether intensive investment can attain the buoyancy and tempo of earlier periods when technological developments were stimulated by population growth and territorial expansion.

The decline in the rate of extensive expansion may partly account for the structural change which we are witnessing in economic institutions. The economic order is undergoing progressively changes in its internal organization which affect its functioning and operation—defense mechanisms, they may be, which seek more or less blindly and experimentally to adjust the economy to an era of less rapid extensive growth. These changes are commonly described in terms of a shift from a free market economy to a planned economy.

In the nineteenth century an automatic price mechanism functioned with relatively little intervention or control from organizational influences, whether governmental or private. Each individual unit in the process of production constituted, so to speak, only a small atom, unable to control but instead controlled by the general forces inherent in the price mechanism. And while, particularly from 1870 on, institutional interferences with the automatic functioning of the price system were gradually developing, it is, broadly speaking, true that these played a relatively minor role until the first World War. Just as wars have frequently acted as a profound stimulus upon technological development, so also the first World War enormously accelerated the development of institutional interferences with the price mechanism. An increasing degree of regimentation by both public and private organization developed with startling rapidity. Instruments of control that had gradually been taking shape were perfected and utilized on a wide scale. This revealed itself in monetary and fiscal policy and also in corporate, labor, and other private control mechanisms.

In a free market economy no single unit was

sufficiently powerful to exert any appreciable control over the price mechanism. In a controlled economy the government, the corporation, and organized groups all exercise a direct influence over the market mechanism. Many contend that it is just this imperfect functioning of the price system which explains the failure to achieve reasonably full employment in the decade of the thirties. Some place the blame on corporate price policies, some on trade-union practices, and some on the restrictions imposed by government.

There can be no doubt that these profound changes in institutional arrangements are significant. It is not possible to go back to the atomistic order. Corporations, trade-unions, and government intervention we shall continue to have. Modern democracy does not mean individualism. It means a system in which private, voluntary organization functions under general, and mostly indirect, governmental control. Dictatorship means direct and specific control. We do not have a choice between "plan and no plan." We have a choice only between democratic planning and totalitarian regimentation.

JOHN DEWEY

JOHN DEWEY is known the world over as one of the most thorough-going philosophers of democracy. As he understands democracy, it is a phase of human experience that brings with it a "reconstruction" not only of society, but of the interpretation of man's relation to the world in general. He sees in the emergence of "a common faith," in the more general participation of people in the arts and sciences, in the gradual breaking down of barriers of class, custom, and prejudice by the inventions that have facilitated communication and publicity, a general transformation of the range and quality of human experience. "Communication" is for him, the "most wonderful of all affairs"; for out of the arts of communication grow science, education, arts, markets, governments—all the institutions which make it possible for men to share with each other on a significant scale. Education is learning to participate in these common outlooks and enterprises. Faith in the common man, in the potentialities of human nature, is for Dewey a hallmark of democratic culture, and its moral meaning "is found in resolving that the supreme test of all political institutions and industrial arrangements shall be the contribution they make to the all-around growth of every member of society."

Dewey's philosophy of democracy is different from that of most of his predecessors of the nineteenth century by virtue of the greater importance he attaches to experimental thinking as an integral factor in making democracy work. Liberty and equality are not for Dewey separable from fraternity, for by fraternity (in the sense of cooperative, shared inquiry) liberty and equality can be gradually achieved. They are not the endowments of individuals, but the fruits of democratic society. The democratic process of spreading public responsibility over progressively wider areas demands the extensive fostering of the powers of free thought and independent judgment. The democratic process is for Dewey the more generous communication of experience and sharing of services; from such a progressive extension of participation comes increased responsibility, and interests thus become genuinely public.

Dewey's repeated emphasis is that democracy needs to be more than a form of government, that it must be a way of life dependent on the degree to which individuals are themselves democratic, that is to say, in proportion to their commitment to methods of voluntary association and agreement and to mutual consultation. In the final analysis, the justification of democracy "as the truly human way of living" is in the similarity it bears to the experimental method, and its effectiveness rests upon the ability to assimilate that method to everyday problems. "It is of the nature of science not so much to tolerate as to welcome diversity of opinion, while it insists that inquiry brings the evidence of observed facts to bear to effect a consensus of conclusions—and even then to

hold the conclusion subject to what is ascertained and made public in further new inquiries. I would not claim that any existing democracy has ever made complete or adequate use of scientific method in deciding upon its policies. But freedom of inquiry, toleration of diverse views, freedom of communication, the distribution of what is found out to every individual as the ultimate intellectual consumer, are involved in the democratic as in the scientific method." (*Freedom and Culture*, N.Y., 1939.)

For the realization of his ideals Dewey relies less on government than on "voluntary associations." Schools, laboratories, unions, lobbies, any cooperative attempt at achieving some common good—not to be possessed as an exclusive property, but to be shared with still wider groups—these are the institutions of democracy. Government is democratic insofar as it is the servant of these many groups with their diversified interests, regulating them in the sense of preventing reciprocal frustration of interests. Thus Dewey arrives at a pluralistic socialism, a community of associated interests and goods, held together less by state control and ownership than by publicity of interests and sharing of responsibilities. Dewey's conception of democracy has come at least in part from his experience with educational practice and administration and has in turn contributed tremendously to the reshaping of educational aims and methods.

The following selection is taken from his speech before the National Education Association, 1937, and was published in *School and Society*, April, 1937, under the title *Democracy and Educational Administration.*

Democracy

BY JOHN DEWEY

. . . Democracy is much broader than a special political form, a method of conducting government, of making laws and carrying on governmental administration by means of popular suffrage and elected officers. It is that, of course. But it is something broader and deeper than that. The political and governmental phase of democracy is a means, the best means so far found, for realizing ends that lie in the wide domain of human relationships and the development of human personality. It is, as we often say, though perhaps without appreciating all that is involved in the saying, a way of life, social and individual. The key-note of democracy as a way of life may be expressed, it seems to me, as the necessity for the participation of every mature human being in formation of the values that regulate the living of men together: which is necessary from the standpoint of both the general social welfare and the full development of human beings as individuals.

Universal suffrage, recurring elections, responsibility of those who are in political power to the voters, and the other factors of democratic government are means that have been found expedient for realizing democracy as the truly human way of living. They are not a final end and a final value. They are to be judged on the basis of their contribution to end. It is a form of idolatry to erect means into the end which they serve. Democratic political forms are simply the best means that human wit has devised up to a special time in history. But they rest back upon the idea that no man or limited set of men is wise enough or good enough to rule others without their consent; the positive meaning of this statement is that all those who are affected by social institutions must have a share in producing and managing them. The two facts that each one is influenced in what he does and enjoys and in what he becomes by the institutions under which he lives, and that therefore he shall have, in a democracy, a voice in shaping them, are the passive and active sides of the same fact.

The development of political democracy came about through substitution of the method of mutual consultation and voluntary agreement for the method of subordination of the many to the few enforced from above. Social arrangements which involve fixed subordination are maintained by coercion. The coercion need not be physical. There have existed, for short periods, benevolent despotisms. But coercion of some sort there has been; perhaps economic, certainly psychological and moral. The very fact of exclusion from participation is a subtle form of suppression. It gives individuals no opportunity to reflect and decide upon

what is good for them. Others who are supposed to be wiser and who in any case have more power decide the question for them and also decide the methods and means by which subjects may arrive at the enjoyment of what is good for them. This form of coercion and suppression is more subtle and more effective than is overt intimidation and restraint. When it is habitual and embodied in social institutions, it seems the normal and natural state of affairs. The mass usually become unaware that they have a claim to a development of their own powers. Their experience is so restricted that they are not conscious of restriction. It is part of the democratic conception that they as individuals are not the only sufferers, but that the whole social body is deprived of the potential resources that should be at its service. The individuals of the submerged mass may not be very wise. But there is one thing they are wiser about than anybody else can be, and that is where the shoe pinches, the troubles they suffer from.

The foundation of democracy is faith in the capacities of human nature; faith in human intelligence and in the power of pooled and cooperative experience. It is not belief that these things are complete but that if given a show they will grow and be able to generate progressively the knowledge and wisdom needed to guide collective action. Every autocratic and authoritarian scheme of social action rests on a belief that the needed intelligence is confined to a superior few, who because of inherent natural gifts are endowed with the ability and the right to control the conduct of others; laying down principles and rules and directing the ways in which they are carried out. It would be foolish to deny that much can be said for this point of view. It is that which controlled human relations in social groups for much the greater part of human history. The democratic faith has emerged very, very recently in the history of mankind. Even where democracies now exist, men's minds and feelings are still permeated with ideas about leadership imposed from above, ideas that developed in the long early history of mankind. After democratic political institutions were nominally established, beliefs and ways of looking at life and of acting that originated when men and women were externally controlled and subjected to arbitrary power, persisted in the family, the church, business and the school, and experience shows that as long as they persist there, political democracy is not secure.

Belief in equality is an element of the democratic credo. It is not, however, belief in equality of natural endowments. Those who proclaimed the idea of equality did not suppose they were enunciating a psychological doctrine, but a legal and political one. All individuals are entitled to equality of treatment by law and in its administration. Each one is affected equally in quality if not in quantity by the institutions under which he lives and has an equal right to express his judgment, although the weight of his judgment may not be equal in amount when it enters into the pooled result to that of others. In short, each one is equally an individual and entitled to equal opportunity of development of his own capacities, be they large or small in range. Moreover, each has needs of his own, as significant to him as those of others are to them. The very fact of natural and psychological inequality is all the more reason for establishment by law of equality of opportunity, since otherwise the former becomes a means of oppression of the less gifted.

While what we call intelligence be distributed in unequal amounts, it is the democratic faith that it is sufficiently general so that each individual has something to contribute, whose value can be assessed only as enters into the final pooled intelligence constituted by the contributions of all. Every authoritarian scheme, on the contrary, assumes that its value may be assessed by some *prior* principle, if not of family and birth or race and color or possession of material wealth, then by the position and rank a person occupies in the existing social scheme. The democratic faith in equality is the faith that each individual shall have the chance and opportunity to contribute whatever he is capable of contributing and that the value of his contribution be decided by its place and function in the organized total of similar contributions, not on the basis of prior status of any kind whatever.

I have emphasized in what precedes the importance of the effective release of intelligence in connection with personal experience in the democratic way of living. I have done so purposely because democracy is so often and so naturally associated in our minds with freedom of *action*, forgetting the importance of freed intelligence which is necessary to direct and to warrant freedom of action. Unless freedom of individual action has intelligence and informed conviction back of it, its manifestation is almost sure to result in confusion and disorder. The democratic idea of freedom is not the right of each individual to *do* as he pleases, even if it be qualified by adding "provided he does not interfere with the same freedom on the part of others." While the idea is not always, not often enough, expressed in words, the basic freedom is that of freedom of *mind* and of whatever degree of freedom of action and experience is

necessary to produce freedom of intelligence. The modes of freedom guaranteed in the Bill of Rights are all of this nature; Freedom of belief and conscience, of expression of opinion, of assembly for discussion and conference, of the press as an organ of communication. They are guaranteed because without them individuals are not free to develop and society is deprived of what they might contribute. . . .

There is some kind of government, of control, wherever affairs that concern a number of persons who act together are engaged in. It is a superficial view that holds government is located in Washington and Albany. There is government in the family, in business, in the church, in every social group. There are regulations, due to custom if not to enactment, that settle how individuals in a group act in connection with one another.

It is a disputed question of theory and practice just how far a democratic political government should go in control of the conditions of action within special groups. At the present time, for example, there are those who think the federal and state governments leave too much freedom of independent action to industrial and financial groups, and there are others who think the government is going altogether too far at the present time. I do not need to discuss this phase of the problem, much less to try to settle it. But it must be pointed out that if the methods of regulation and administration in vogue in the conduct of secondary social groups are non-democratic, whether directly or indirectly or both, there is bound to be an unfavorable reaction back into the habits of feeling, thought and action of citizenship in the broadest sense of that word. The way in which any organized social interest is controlled necessarily plays an important part in forming the dispositions and tastes, the attitudes, interests, purposes and desires, of those engaged in carrying on the activities of the group. For illustration, I do not need to do more than point to the moral, emotional and intellectual effect upon both employers and laborers of the existing industrial system. Just what the effects specifically are is a matter about which we know very little. But I suppose that every one who reflects upon the subject admits that it is impossible that the ways in which activities are carried on for the greater part of the waking hours of the day; and the way in which the share of individuals are involved in the management of affairs in such a matter as gaining a livelihood and attaining material and social security, can not but be a highly important factor in shaping personal dispositions; in short, forming character and intelligence.

In the broad and final sense all institutions are educational in the sense that they operate to form the attitudes, dispositions, abilities and disabilities that constitute a concrete personality. The principle applies with special force to the school. For it is the main business of the family and the school to influence directly the formation and growth of attitudes and dispositions, emotional, intellectual and moral. Whether this educative process is carried on in a predominantly democratic or non-democratic way becomes, therefore, a question of transcendent importance not only for education itself but for its final effect upon all the interests and activities of a society that is committed to the democratic way of life. . . .

There are certain corollaries which clarify the meaning of the issue. Absence of participation tends to produce lack of interest and concern on the part of those shut out. The result is a corresponding lack of effective responsibility. Automatically and unconsciously, if not consciously, the feeling develops, "This is none of our affair; it is the business of those at the top; let that particular set of Georges do what needs to be done." The countries in which autocratic government prevails are just those in which there is least public spirit and the greatest indifference to matters of general as distinct from personal concern. Can we expect a different kind of psychology to actuate teachers? Where there is little power, there is correspondingly little sense of positive responsibility. It is enough to do what one is told to do sufficiently well to escape flagrant unfavorable notice. About larger matters, a spirit of passivity is engendered. In some cases, indifference passes into evasion of duties when not directly under the eye of a supervisor; in other cases, a carping, rebellious spirit is engendered. . . .

It still is also true that incapacity to assume the responsibilities involved in having a voice in shaping policies is bred and increased by conditions in which that responsibility is denied. I suppose there has never been an autocrat, big or little, who did not justify his conduct on the ground of the unfitness of his subjects to take part in government. . . . What the argument for democracy implies is that the best way to produce initiative and constructive power is to exercise it. Power, as well as interest, comes by use and practice. Moreover, the argument from incapacity proves too much. If it is so great as to be a permanent bar, then teachers can not be expected to have the intelligence and skill that are necessary to execute the directions given them. The delicate and difficult task of developing character and good judgment in the

young needs every stimulus and inspiration possible. It is impossible that the work should not be better done when teachers have that understanding of what they are doing that comes from having shared in forming its guiding ideas. . . .

The fundamental beliefs and practices of democracy are now challenged as they never have been before. In some nations they are more than challenged. They are ruthlessly and systematically destroyed. Everywhere there are waves of criticism and doubt as to whether democracy can meet pressing problems of order and security. The causes for the destruction of political democracy in countries where it was nominally established are complex. But of one thing I think we may be sure. Wherever it has fallen it was too exclusively political in nature. It had not become part of the bone and blood of the people in daily conduct of its life. Democratic forms were limited to Parliament, elections and combats between parties. What is happening proves conclusively, I think, that unless democratic habits of thought and action are part of the fiber of a people, political democracy is insecure. It can not stand in isolation. It must be buttressed by the presence of democratic methods in all social relationships. The relations that exist in educational institutions are second only in importance in this respect to those which exist in industry and business, perhaps not even to them. . . .

THE AMERICAN SCENE

THE BONUS ARMY

As far as official Washington during the years of the depression was concerned, there was no more disturbing element in the domestic scene than the appearance of an organized veterans' pressure group. Unemployment played no favorites; and veterans, like millions of other workers, found themselves without homes, jobs, and financial resources. But veterans had a claim on the government: they were the holders of so-called "adjusted compensation certificates." These had been voted as a Soldiers' Bonus to all those who had served in World War I, but they did not carry immediate maturities. It was this desire to urge the cashing of the certificates at once that prompted a spontaneous movement on the part of veterans all over the country to converge on Washington. In the spring of 1932, the march of the "Bonus Army" began, and before long thousands of veterans were living in a mean little shantytown—the epitome of all the "Hoovervilles" throughout the country—on Anacostia Flats outside of Washington.

It is this "Bonus Army" that Gardner Jackson describes in his article, *Unknown Soldiers*, here reprinted from *The Survey* of August 1, 1932. The veterans maintained order and waited quietly while Congress discussed the Bonus bill—and rejected it. On July 28, orders were given by the War Department to break up the camp and disperse the soldiers. Paul Y. Anderson presents an eyewitness account of the resulting "Battle of Anacostia Flats" in his Washington report to *The Nation* in its issue of August, 17, 1932. After the events recorded here, Herbert Hoover could not possibly win the election of 1932.

Unknown Soldiers

BY GARDNER JACKSON

The army of bonus-seeking veterans now laying siege to the Nation's Capitol fits into no precise category formulated by sociologists or mass psychologists. The abstractions phrased by academic students of the faltering American system do not encompass the swift-moving and vital forces which sent thousands of men in their prime of life to dig in like rats along Pennsylvania Avenue and on the Anacostia mud flats bordering the Potomac River, with a defiant yet passive determination which still held when this article was written, July 1.

They are a conglomerate and colorful mass, these men of thirty-five to forty-five years old, who have been thrown out of jobs and homes by the collapse of the post-war boom. Like their more learned brothers, the economists, they are quite bewildered. They know neither the cause of the depression nor the way out. But they have found something to do immediately. They have discovered that the mass technique which they learned as recruits or drafted men preparing to fight for the American scheme of life, liberty and the pursuit of happiness is serviceable to them in times of peace when that scheme has failed them. And they fall back into that technique as easily as if it had been just yesterday that they first stumbled into squads, platoons and companies under the bullying of a tough top-sergeant. Without second thought they called themselves "The Bonus Expeditionary Force."

One may not agree intellectually or even sympathize emotionally with the stated object of these bonus marchers on their spontaneous trek from all corners of the country to Washington. But one cannot mingle much with them and escape the positive impression that a large proportion of them are moved by more than a mere urge to collect a few hundred dollars apiece. Blindly, if you

will, they are searching for security, and many of them realize that a few hundred dollars will not give them that.

It is true (as this is written) that nothing in the statements of the army's leaders has outlined a program for security. They have harped almost solely upon the bonus. But in conversations with W. W. Waters, thirty-four-year-old ex-canning factory superintendent of Portland, Oregon, who led the first contingent here and who has three times been elected leader, it was clear, early in the siege, that he and his associates thought of their enterprise as one destined to be the vanguard of a march of the general unemployed to demand of Congress the enactment of a complete program that would insure jobs and relief for all. The bonus was just a strategic device they were using.

Waters, an ex-Socialist, has an attitude typical of the average run of men in the army, though he is superior to the mass in training and personality. He was driven to the adventure by sheer desperation. He had been out of a job for more than a year—which is true of 95 per cent of the bonus marchers. His wife and two small children were getting along as best they could on relief by friends and the regular agencies. Why not try to collect the fifteen hundred dollars still owing him on his adjusted service certificate? If he left home there would be one less mouth to feed.

Over and over this story, with slight variations, has been repeated to me by members of the army. "What's the good of going back home, if we haven't got jobs or money?" they ask. "The wife and kids are better off without us. They get their relief whether we're there or not. And they don't have to worry about us hanging around and about feeding us." That note of sharp discomfort over being in the home without a job is in the tones of many of them—a sense of deep uneasiness as their wives perform their housekeeping and mothering tasks under distressing circumstances or even perhaps work at odd jobs as charwomen or waitresses while they, the supposed breadwinners, are idle.

No accurate estimate of the number of married men among the fifteen thousand to twenty thousand bonus marchers is possible, but it is safe to place the proportion at 60 per cent. More than half of that number, to be conservative in my figures, have children. When the camps were fairly well established an increasing number of veterans began to arrive with their families. The wailing of ill-nourished youngsters became common. Milk was scarce.

These men did not appear to be starving as they hiked or rode into Washington in rattletrap old cars and trucks. This is contrary to the picture of the men drawn by bonus-thumping politicians in Congress and by some newspaper correspondents. But consider for a moment the manner in which these marchers dug in and organized themselves on the Anacostia mud flats without help from anyone. Consider the appalling living conditions which they underwent there and elsewhere in the city for five weeks before a sign of serious sickness appeared among them. This, it seems to me, is fair evidence that they were not worn down by starvation.

That first contingent of veterans from Oregon, and those from other states which followed in rapid succession, who were lodged across the Potomac by Brig.-Gen. Pelham D. Glassford, superintendent of the District police, swept up over a hill beyond the Anacostia flats, scavenged the city dump heap on top of it and literally, within the space of several days, built their camp out of that refuse plunder. Such an accomplishment hardly seems the work of men languid from under-nourishment.

Egg-crates, paper-boxes, rusty bed-springs; fenders, bodies and seats from junked autos; pieces of corrugated iron roofing, rusty fence-wire, filthy old bed-ticking, chicken-coops, moth-eaten blankets, parts of baby carriages—these and scores of other articles composing the dump-heap of a large city went to make the dog hovels under which the veterans sought protection. Burdock leaves and long grasses from the mud flats, woven into the chicken wire, were prized roofing material. There the veterans slept, under primitive shelters barely high enough to allow their bodies to turn, and there many of them still sleep, rain or shine, under conditions reminiscent of war. This Anacostia camp is the main camp, housing, or perhaps more accurately, sheltering ten thousand members of the army.

Through the good offices of General Glassford, the only official of either the District of Columbia or the federal government willing to assume responsibility for the care of the veterans, a small amount of lumber was secured to build sheds. He also was instrumental in borrowing some tents from a neighboring National Guard outfit, while other tents were set up by the "Sallies" and other religious organizations. One of the tents had a large sign on it proclaiming, "Christian Services—morning—afternoon—evening—Jesus Saves."

The ex-soldiers outside the Anacostia camp—those in the vacant buildings and in the two camps where barracks and tents were ready, fared somewhat better. But even they, lacking anything approaching an adequate supply of cots, beds or mattresses, have been living a decidedly uncomfort-

able life. Yet they all have shown a surprising resilience under it—hardly the resilience of starving men.

Though not actually starving, these men—the 60 per cent of them who are not mere floaters or out for a lark—are at the end of their ropes. They are close enough to starvation to know what it means for themselves and their families. The depression began to get its talons in them over a year ago. The stark realization of what they are up against came gradually. They lost their regular jobs as sheet-metal workers, lumberjacks and sewer builders. They were able to piece out for a while with odd jobs—jobs mowing lawns, helping in truck gardens, washing automobiles, digging ditches, doing anything to get a few dollars for home. Then these odd jobs got scarcer and were no longer to be had. That's the average story of the army. . . .

Comment has been general on the excellent discipline evidenced by the polyglot army in which Negroes and whites mingled without restriction and in which the relatively few white-collar workers—the lawyers, doctors, newspaper men and office men—are taking the scanty pot-luck with coal miners, truck drivers and plumbers. The men up to the time these words are set down have, indeed, practised the first large scale attempt to mimic Mahatma Gandhi's passive resistance (I might be thrown out as a red if I told them that in person). Gathered in large numbers around the Capitol the night the Senate voted down the bonus bill, they were in an uncertain mood when they heard the news. There was great tension and considerable growling. A brief word from young Waters on the Capitol steps sent them home. Nor did their resentment flare into active demonstration when the police raised the drawbridge over the Potomac to keep back a large body of them headed for the Capitol.

Among the factors contributing to this passivity, three seem to me prominent. First is the understanding and intelligent handling of their problems by General Glassford and the police under his direction. Second is the habit of routine and acquiescence established in them by their service in the War—a habit which is not easily lost once it is firmly implanted. Third is realization by the veterans that, although they have far from universal support for their bonus demand, they have strong sympathy of large sections of public opinion for their general predicament. They have the hunch that violence of any kind might alienate that support. . . .

But there has been no genuine leadership. That is one of the tragedies of this army, this microcosm of American life under conditions of a deep depression. Which way are the forces to turn? . . .

Tear-Gas, Bayonets, and Votes

BY PAUL Y. ANDERSON

HOOVER'S CAMPAIGN for reelection was launched Thursday, July 28, at Pennsylvania Avenue and Third Street, with four troops of cavalry, four companies of infantry, a mounted machine-gun squadron, six whippet tanks, 300 city policemen and a squad of Secret Service men and Treasury agents. Among the results immediately achieved were the following:

Two veterans of the World War shot to death; one eleven-weeks-old baby in a grave condition from gas, shock, and exposure; one eight-year-old boy partially blinded by gas; two policemen's skulls fractured; one bystander shot through the shoulder; one veteran's ear severed with a cavalry saber; one veteran stabbed in the hip with a bayonet; more than a dozen veterans, policemen, and soldiers injured by bricks and clubs; upward of 1,000 men, women, and children gassed, including policemen, reporters, ambulance drivers, and residents of Washington; and approximately $10,000 worth of property destroyed by fire, including clothing, food, and temporary shelters of the veterans and a large amount of building material owned by a government contractor. . . .

Save for the feeble gestures of the isolated Communist group there was no trouble until that fatal Thursday, due in part to the remarkable tact and common sense of General Glassford, the chief of police, in part to the discipline enforced by the leaders of the camps, and in part to the essentially law-abiding instincts of the men themselves. The worthy Hurley mouths indignant phrases about "panhandling" and "forced tribute from citizens," but in all my visits to the camps I was never asked for anything more valuable than a cigarette—and I am a fairly prosperous looking citizen. As soon as Congress adjourned there was a steady exodus of the campers, as attested by the daily statements of the Veterans' Bureau, dutifully reported by the Associated Press and Administration newspapers. Responsible officials repeatedly declared it was only a matter of days until all would be gone.

But suddenly someone high in authority decided the government must have immediate possession

of the partially razed block bounded by Third and Fourth Streets and Pennsylvania and Missouri Avenues, where about 1,500 were existing in abandoned buildings and makeshift huts. Most of these people were from Texas, California, the Carolinas, Nebraska, West Virginia, and Florida, which are not exactly hotbeds of "radicalism." Instructions went from the Treasury to the District commissioners to have the police evict the squatters. On two occasions Glassford convinced the commissioners that the police had no authority to conduct such evictions, and pointed out that the procedure for eviction is definitely prescribed by law. On Wednesday there was a conference at the White House attended by Hurley, Attorney-General Mitchell, and General Douglas MacArthur, chief of staff of the army. On Thursday morning Glassford was informed that Treasury agents would begin evacuation of a part of the block, and that if anyone resisted eviction he was to be arrested for disorderly conduct. This meant that the actual eviction would be done by the police, and so it worked out. Someone had devised a technicality for getting around the law. Glassford's protests were unavailing. It was obvious that irresistible pressure had been applied to the commissioners.

One building was emptied with little difficulty of all but one occupant—a legless veteran whom Glassford permitted to remain until the Veterans' Bureau could take care of him. An hour later, at noon, three men, one carrying a large American flag, started a march across the block, followed by several hundred. When the leaders encountered a policeman he grabbed the flag. There was a scuffle, and one of the marchers was hit on the head with a nightstick. He wrested it from the officer and struck back. Other policemen rushed toward the spot, and there was a shower of bricks from the marchers in the rear. I was standing about forty feet away, and it looked like an ugly mess, but the cops kept their heads and no shots were fired. Glassford dashed into the heart of the melee, smiled when a brickbat hit him in the chest, and stopped the fighting in a few seconds. Within two minutes the veterans were cheering him lustily. Two policemen had been badly hurt by thrown bricks, and several veterans were bleeding from the clubbing they had received and from accidental hits from within their own ranks.

The trouble was resumed with more serious consequences two hours later when a policeman attempted to bar several veterans from a building which, in fact, had not been prohibited to them. They rushed him and he shot. A fellow officer coming to his assistance was hit with a missile and likewise opened fire. Still others joined in. Glassford, on the second floor of the same building, commanded his men to stop shooting, and the policeman who had fired the first shot and who apparently was hysterical, whirled and aimed his revolver at the chief. In this encounter two veterans were fatally wounded, another received a flesh wound, and a bystander got a policeman's bullet in the shoulder.

It was soon afterward that Glassford made an illuminating statement to reporters. He said: "The trouble began when I was compelled to enforce an order which I considered unnecessary. In a few more hours this area could have been evacuated peacefully."

The truth of this statement seemed evident. The men had been advised by their leaders to move, better quarters had been promised, and plainly they were ready to follow Glassford's counsel. The trouble was that someone in authority had determined to force the issue. Two District commissioners reported to President Hoover that the civil authorities were "unable to maintain order," and within a few minutes infantry, cavalry, machine-gunners, and tanks were on their way from Fort Myer and Fort Washington—although they were delayed an hour in the rear of the White House while an orderly dashed back to Fort Myer for the tunic, service stripes, and English whipcord breeches of General MacArthur, the valiant chief of staff having steeled himself to lead the offensive in person. Again we have a significant disclosure from General Glassford, the one official whose judgment, courage, and knowledge of conditions had been conspicuous.

He did not tell the commissioners that the police were unable to handle the situation—on the contrary, he told them the police could handle it "unless the field of operations was to be expanded"; he did not ask for troops, was not consulted about calling them out, was not informed they were coming, and was not consulted by their officers when they arrived. In short, the whole affair had been taken out of his hands by someone higher in authority, someone resolved on an actual clash between the regular army and the encamped veterans. . . . Before me is a statement by Secretary Hurley which contains the following words:

No one was injured after the coming of the troops. No property was destroyed after the coming of the troops except that which was destroyed by the marchers themselves. The duty of restoring law and order was performed with directness, with effectiveness, and with unparalleled humanity and kindliness.

Let us see. When the troops arrived they actually were cheered by the veterans on the south

sidewalk of Pennsylvania Avenue. A cavalry officer spurred up to the curb and shouted: "Get the hell out of here." Infantrymen with fixed bayonets and trench helmets deployed along the south curb, forcing the veterans back into the contested block. Cavalry deployed along the north side, riding their horses up on the sidewalk and compelling policemen, reporters, and photographers to climb on automobiles to escape being trampled. A crowd of three or four thousand spectators had congregated in the vacant lot on the north side of the avenue. A command was given and the cavalry charged the crowd with drawn sabers. Men, women, and children fled shrieking across the broken ground, falling into excavations as they strove to avoid the rearing hoofs and saber points. Meantime, the infantry on the south side had adjusted gas masks and were hurling tear bombs into the block into which they had just driven the veterans. Secretary Hurley states that "the building occupied by the women and children was protected, and no one was permitted to molest them."

What he means by "the building" I do not know, because scores of shanties and tents in the block were occupied by women and children. I know that I saw dozens of women grab their children and stagger out of the area with streaming, blinded eyes while the bombs fizzed and popped all around them. I saw a women stand on the Missouri Avenue side and plead with a non-commissioned officer to let her rescue a suitcase which, she told him, contained all the spare clothing of herself and her child, and I heard him reply: "Get out of here, lady, before you get hurt," as he calmly set fire to her shanty. . . .

Secretary Hurley defiantly announced that "statements made to the effect that the billets of the marchers were fired by troops is a falsehood." On the day when he first made this declaration it appeared in dozens of newspapers which also published a graphic Underwood and Underwood photograph of an infantryman applying a torch to a veteran's shanty. I am only one of numerous reporters who stood by while the soldiers set fire to many such shelters. In the official apologia, the Secretary asserts that "the shacks and tents at Anacostia were set on fire by the bonus marchers before the troops crossed the Anacostia Bridge." I was there when the troops crossed. They celebrated their arrival at the Anacostia terminus of the bridge by tossing gas bombs into a throng of spectators who booed and refused to "get back" as soon as ordered. About fifteen minutes after their arrival in the camp the troops set fire to two improvised barracks. These were the first fires. Prior to this General MacArthur had summoned all available reporters and told them that "operations are completely suspended," that "our objective has been accomplished," that "the camp is virtually abandoned," and that it would "not be burned." Soon after making that statement he departed for the White House. When the two barracks ignited by the soldiers had been burning fiercely for at least thirty minutes, the veterans began firing their own shelters as they abandoned them. . . .

THREE DEMAGOGUES

In *Fantastic Interim*—which covers the period from Versailles to Pearl Harbor—Henry M. Robinson exposes some of the sillier aspects of an America, which, during the nineteen twenties and thirties, was running away from its responsibilities. Our entry into World War II was both atonement and opportunity: the world could not be at peace or economically prosperous unless we were ready to take our legitimate place in it. Robinson does not concern himself with fatuities alone. He calls attention to a sinister aspect of the nineteen thirties: the flourishing of a large company of demagogues—many with great followings—who turned back to older nativistic ideas for the purpose of preaching hatred, division and isolationism. Because unemployment continued and security, politically and economically, was still remote, millions of Americans listened to such rabble-rousers and not infrequently talked the language of fascism.

This fault in our cultural pattern—the same one already noted here as existing in the eighteen thirties and nineties and the nineteen twenties—continues to trouble and divide Americans.

The selection here reprinted is from *Fantastic Interim* (New York, 1943) and is published by permission of Harcourt, Brace and Company.

Fantastic Interim

BY HENRY M. ROBINSON

Three Economic Corn Doctors

These were the years when mountebanks cavorted publicly and pushed to vicious lengths their medicine-tent panaceas. Demagoguery and pied-piperism had their innings; the unwashed multitude threw its nightcaps in the air while promises of "ham-and-egg" pensions and various share-the-wealth programs fell from the lips of dangerous men. Loudest and most persuasive was Huey Long, the Louisiana Kingfish, a historically unmatched clown, who but for his timely death might have poured disaster over the American people as he had already loosed it on his native state.

The Kingfish had used Louisiana as a proving-ground for his political methods and as a spring-board for his manic ambition. Starting as a salesman of a cure for "women's sicknesses," Huey early learned the acts of greasy eloquence and political blandishment. On a borrowed $400 he put himself through a three-year law course in eight months, and at the age of twenty-one became a candidate for the Louisiana Railroad Commission. In screaming linen and a flashy second-hand automobile Huey penetrated remote sections never before visited by office-seekers. He handed out recipes for clabber, raised up hearts with denunciations of Wall Street and city slickers—and kept at it eighteen hours a day until he was elected. Ten years later, when he had completed his conquest of Louisiana, he was an unopposed dictator, bellowing self-made statutes at the legislature, crushing rivals as a chimpanzee cracks peanuts, or buying them up with venal cash. Of one Louisiana senator, Huey said: "I got that guy so cheap I thought I stole him." Of another: "I bought him like a sack of potatoes." With Louisiana sewed up lock, stock, and cash register, Huey turned his attention to wider fields, and forthwith had himself elected to the Senate of the United States.

For the first few months of the New Deal, the Kingfish swung his support to the Roosevelt Administration, but he became disgruntled when the White House refused to accept his bullying lead in matters of patronage and Federal funds. During a visit to the President at the White House, the boorish Long kept a brightly beribboned straw hat on his head, removing it only to tap the President on knee and elbow to emphasize a point of Kingfish doctrine. Roosevelt, coolly amused, punished the Louisiana lout by holding up Federal cash and appointments till Huey's neck cords swelled in anger. Soon it was open war between the Kingfish and the White House, and the country got a taste of Huey's vituperative quality as he spat insults and charges from the floor of the Senate. His particular target was Jim Farley, whom he accused (utterly without basis) of diverting Post Office contracts for personal gain. "Jim can take the corns off your feet without removing your shoes," he told the Senate. Sartorially resplendent in a tan poplin suit and a necktie of mottled green and red, he pilloried Administration leaders while the galleries roared. Down the list he went, naming the White House hierarchy. He called the President "a liar and a faker." Farley was termed "Prime Minister James Aloysius, the Nabob of New York." Ickes got the title of "High Lord Chamberlain the Chinch Bug of Chicago." Secretary of Agriculture Wallace was dubbed the "Honorable Lord Destroyer of Crops, the Ignoramus of Iowa." And General Johnson, the NRA Chief, was ticketed as "the expired and lamented Royal Block, Hugh Sitting Bull."

"One sure way to avoid Huey P. Long for President," the Kingfish warned Roosevelt, "is to adopt God's laws. . . . Do as God commanded and I will be as little as one of the sands of the sea." (Aquinas via Baton Rouge.) And then again: "I'm as big as Roosevelt right now. Why he's copying my share-the-wealth speeches now, the ones I was writing when I was fourteen years old."

When asked "Will we ever have Fascism in the United States," Long replied: "Sure we'll have Fascism, but we'll call it anti-Fascism."

In 1934 Huey turned his share-the-wealth slogan into a nation-wide club with no dues, and soon was claiming 3,000,000 members. His Utopian plan promised that "every family would be furnished by the government with a homestead allowance of not less than one-third the average family wealth of the country, which means that every family shall have the comforts of life up to a value of from $5,000 to $6,000." But when the Kingfish tried to explain just how this was to be accomplished, he was something less than lucid. Apparently, holders of various possessions—cash, houses, automobiles, and stock certificates—would simply turn them over to the Government, whereupon members of Huey's Every-Man-a-King Club would file petitions setting forth their needs and

would promptly be furnished with whatever they required. Carleton Beals called the whole scheme "the weird dream of a plantation darky."

Long's popularity with the underprivileged elements of American society is understandable: he simply promised them something for nothing, and thus fitted in perfectly with the prevailing El Dorado concept of American life. The fact that he planned to dispense with the two-party system, then supplant it with his own political party, a Fascist setup with the Kingfish as dictator, alarmed his followers not at all. It did, however, greatly alarm the more thoughtful members of society, who saw in Long's program merely an extension of his ruthless megalomania. Such persons were not altogether unhappy when, on September 8, 1935, Huey Long was fatally wounded by a young physician, Carl A. Weiss, Jr., whose father had been deeply wronged by the Long machine. The body of the tyrannicide Weiss was immediately riddled by sixty-one bullets from the guns of Huey's henchmen. Long expired a few days later, widely unmourned.

Another defector from the New Deal ranks was the Reverend Charles E. Coughlin, the "Radio Priest" whose inflammatory exhortations over the air waves were a strange perversion of the papal encyclicals of Leo XIII, plus a Fascism of Coughlin's own brand. This ecclesiastical demagogue was antilabor, antidemocratic, anti-Semitic, and antirational. Coughlin came to the diocese of St. Agnes Church in Detroit in 1923. Three years later Bishop Gallager of Detroit selected the young priest to expand the Royal Oak parish. At first he broadcast sermons over WJR; later he gave afternoon talks to children. For four years his homilies roused no undue attention; then about 1930 he realized that through the Holy Ghost, or otherwise, the gift of tongues was upon him. In response to a new leavening of politics and economics in his sermons, letters started to pour in. At once he spread himself, formed the Radio League of the Little Flower, grew to national stature overnight. His tone now became inflammatory as he poured forth an indiscriminate stream of abuse against bankers, mass production, Morgan, Jews, Russia, and gold. Money came in from millions of listeners, enabling him to create his own radio network, which eventually included twenty-six stations stretching from Maine to Colorado. Soon he became a power in Washington and an accredited spokesman of the New Deal.

But by the end of 1933 Coughlin had left the New Deal far behind. With impassioned vehemence, he claimed that the New Deal was not moving fast enough in its program of taxation, nationalization of banks, abolition of tax-free bonds, and the protection of the little man. To hasten the millennium, Coughlin formed the National League for Social Justice, describing it as "a lobby of citizens on a national scale." It turned out to be a new political party, organized in detail by local cells and Congressional districts. Soon Coughlin was predicting the end of the two major parties in America and the arrival of a Fascist state based on the Coughlin model.

Meanwhile, the Radio Priest's financial manipulations were becoming a matter of public interest. An audit of his operations revealed some embarrassing facts. These included: (1) the creation of a corporation called the Social Justice Poor Society, designed to help the indigent, but actually used as a holding company for a private publishing firm. (2) When the Government published the list of holders of silver, the largest in Michigan proved to be the young woman who was secretary of Father Coughlin's organization. She held 500,000 ounces, at the very time when Father Coughlin was crying over the radio: "The restoration of silver to its proper value is of Christian concern. I send to you a call for the mobilization of all Christianity against the god of gold." To many it seemed that the Radio Priest was using his microphone pulpit to boost the price of silver, from which profit would accrue to his undertakings.

Prominent Catholics opposed Coughlin. Al Smith called him a "crackpot" and Cardinal O'Connell denounced him as a false representative of the views of the Catholic Church. But Coughlin flourished, carrying on business from his old stand at the Shrine of the Little Flower. This magnificent edifice was constructed with dramatic theatricism. At night great spotlights, arranged with the skill of a Nazi party organizer, played over the huge relief of the crucified Christ, who looked down from His cross upon the gasoline station called "Shrine Super Service" and the hot-dog stand, the "Shrine Inn."

Of all juvenile plans proposing to make men equal before Mammon, none was so infantile as the scheme brought forward by Dr. Francis E. Townsend. So fair was the illusion created by his project that 25,000,000 people signed their names to the petition begging Congress to enact the Townsend Plan into durable law. In mid-1934, six months after Townsend appeared on the political scene, 3,000 Townsend Clubs were formed. A Townsend national weekly was circulating, and Townsend buttons, stickers, and automobile plates were

sported by 8,000,000 people old enough to know better.

Townsend, a retired physician of Long Beach, California, was undoubtedly honest, unselfish, and motivated by the highest principles. Righteous indignation started him on his crusade. One day in 1933, gazing from the window of his home, he saw three old women foraging for their dinner in a garbage can. For a moment his body was twisted with physical revulsion, then, straightening his tall frame, he burst into a torrent of profanity so vehement that his wife rushed into the room to see what was wrong. He emptied himself of anger, then in an after-period of quiet thought the Townsend Old Age Revolving Pension Plan (OARP) was born. The Townsend Plan proposed to end destitute old age and at the same stroke lift the country out of economic stagnation. How? By the simple process of giving everyone over sixty (8,000,000 people in all) $200 a month—the only stipulation being that the money be spent within thirty days. The plan was a shining turret of the great American cloud castle, and old folks crowded forward clamoring for immediate and permanent possession.

Townsend first proposed raising the money by a 15 per cent sales tax, but later calmly changed this to a 2 per cent tax on all business transactions. His simple belief was that if $2,000,000,000 were forced into the American economy every thirty days, the consuming power thus created would start the wheels of production turning, put the unemployed back to work. This process, he averred, could be kept up forever. Kathleen Norris, after diligent study, hailed OARP as "audacious, original, inspired," but cooler-blooded John T. Flynn pointed out that the purchaser of an ordinary overcoat might have to pay $250 for his garment, to absorb the accumulated taxes beginning with the sheep-raiser and ending in the clothing store. The OARP flared up vigorously in the 1936 campaign, then joined the corpses strewing the board depression highway, already littered with the debris of a thousand economic panaceas. . . .

INCOME, WAGES, AND PRODUCTIVITY

As the knowledge and use of statistics became more scientific, Americans in the 1930s came to learn much more about the economy they were living in and something of the road along which real progress in the future had to move. Notably, studies of income, wages, and productivity were being made; and some of the results of these investigations are presented here. They should be compared with analyses that have been reprinted in earlier sections of this book.

S.S. Kuznets (1901–) in his *National Income and Its Composition* (New York, 1941) presented the course of the American economy from 1919 to 1938 and there showed the great development in the "net value of the services individuals and their property contribute to the production of economic goods" up to 1929 and the losses suffered during the nineteen thirties. A brief statistical summary of his results will help explain Kuznets's conclusions.

Years	*National Income (Billions of current dollars)*	*National Income (Billions of 1929 dollars)*
1919	64.2	57.0
1929	87.2	87.1
1932	42.9	55.6
1938	65.5	78.0

Kuznets then points out:

"The decline from 1919–29 to 1929–38 in the totals in current prices is due exclusively to the downward tilt of the price levels. When adjusted for price changes, the income totals rise from the first to the second decade." However: "Population, the number of persons gainfully occupied and of consuming units grew from the first to the second decade at a rate appreciably greater than national income (in 1929 prices); the number of equivalent full-time units employed declined slightly. As a result, national income per consuming unit declined over the period; national income per unit employed grew."

Thanks to the work of Paul H. Douglas (1892–) in his *Real Wages in the United States* (Boston, 1930), Americans were learning to what extent real wages, notably in the nineteen twenties, had risen. Examining, first, average hourly earnings for all industry, Douglas showed:

1. That the increase was from $.211 in 1890 to $.712 in 1926; or three and a third times what they had been during the nineties. In 1926, the average was two and a quarter times the 1914 average.

2. The real earnings during 1900 to 1914 were above the level of the nineties, being approximately 6 percent more. (Thus, Douglas challenges King's earlier estimate.) In 1917, despite wartime inflation, the index still remained above the average of the nineties by 3 percent, in 1918, by 5 percent and in 1919 by 7 percent. By 1923, relative real earnings stood at 132 and in 1926 at 138. That is to say, in 1926 there was a gain over the nineties in the purchasing power of an hour's work of 38 percent, which was also equivalent to an advance of 30 percent over 1914.

Douglas also sought to estimate average annual money earnings and real earnings for all industries excluding farm labor. Some selected years are here presented:

Year	*Average Earnings in Dollars*	*Real Earnings* (1890–99 = 100)
1890	486	98
1897	474	99
1900	503	99
1914	673	101
1920	1,459	106
1921	1,320	111
1922	1,291	117
1923	1,379	123
1924	1,375	122
1925	1,409	122
1926	1,444	125

Douglas examined the productivity of labor in manufacturing and came to conclusions later confirmed by Spurgeon Bell in one of the selections reprinted in this section. Douglas showed that between 1899 and 1915, the output per man hour in manufacturing increased from 100 to 132, or at the rate of about 2 percent each year. There was no significant increase during the war years (unlike the extraordinary experiences of 1940–45); but in the nineteen twenties productivity once more rose steeply—from 132 in 1922 to 177 in 1925. However—and this is the point—the productivity of labor in the nineteen twenties increased more sharply than the real wages. When the whole period is examined, nevertheless, Douglas comes to the conclusion that labor's share of the value product of industry increased from 1899 to 1921, and while it decreased from 1922 to 1925, it was in 1925 still above the average of 1899.

This was very real progress since the nineties —but there were still many zones to be conquered in the economic fight against inequality and scarcity. The three selections here reprinted throw further light, in statistical terms, on the problems confronting the American economy during the depression and in the future.

The first is reprinted from *Consumer Incomes, 1935–1936*, a study made by the National Resources Committee, a government agency. Using WPA workers, Washington bureaus surveyed the income and spending habits of over 300,000 families in the United States and by this sampling device came to important conclusions. The study found that there were 29.4 million families in the country of whom 65 percent received less than $1,500 annually, while 1 percent received $10,000 or more. There was concentration, too. Three percent of the families received annual incomes of $5,000 or more, but they also got 23 percent of the nation's total income distributed by families. Thus, a large part of the country's families did not receive an income capable of satisfying modest standards of living.

Spurgeon Bell (1880–) in his *Productivity, Wages, and National Income* (Washington, 1940) throws further light on the shares capital and labor received from the creation of the national product. And he indicates that during the nineteen thirties the productivity of labor did not advance as rapidly as it had during the preceding decade, while real wages rose.

The third selection is from *The Conditions of Economic Progress* (London, 1940) by Colin Clark (1905–), the Australian statistician. Clark compares the well-being of the American worker with the state of other workers throughout the world in terms of the purchasing power of the American dollar during the period 1925–34. The position of the American worker was vastly superior to those of the others, although, historically, as all countries moved from primary production to higher forms there took place economic progress and improvements in real wages. Nevertheless, the world is still a poor place; "for the greater part of the world, and indeed ultimately for the wealthier countries, too, the most important problem remains the problem of increasing productive capacity."

The Bell selection is reprinted by permission of The Brookings Institution; the Clark selection by permission of The Macmillan Company.

Consumer Incomes in the United States

BY THE NATIONAL RESOURCES COMMITTEE

THE GREAT MAJORITY of the Nation's consumers are members of families of two or more persons, sharing a common income and living under a common roof. The 29,400,300 families in the population during 1935–36 were by far the most important group of income-spending units, including nearly 91 percent of the total body of consumers.

The distribution of these 29 million families by income level indicates that 14 percent of all families received less than $500 during the year studied; 42 percent received less than $1,000, 65 percent less than $1,500, and 87 percent less than $2,500. Above the $2,500 level, there were about 10 percent with incomes up to $5,000, about 2 percent receiving between $5,000 and $10,000, and only 1 percent with incomes of $10,000 or more.

When the incomes of all families are added together the aggregate is approximately $48 billion. We find that the 42 percent of families with incomes under $1,000 received less than 16 percent of the aggregate, while the 3 percent with incomes of $5,000 and over received 21 percent of the total. The incomes of the top 1 percent accounted for a little over 13 percent of the aggregate.

Incomes of Single Individuals. In addition to the 116 million consumers living in family groups in 1935–36, there were 10 million men and women lodging in rooming houses and hotels, living as lodgers or servants in private homes, or maintaining independent living quarters as one-person families. These single individuals constituted nearly 8 percent of the total population, and—as indicated in table 1—received 19 percent of the total consumer income.

The distribution of income among these individual consumer units resembles very closely that for families, except that there was considerably greater concentration in the lower brackets. Sixty-one percent received incomes of less than $1,000 and accounted for 29 percent of the total income of the group. Ninety-five percent received less than $2,500 and a little over 1 percent received $5,000 or more.

Incomes of All Consumers. For a comprehensive picture of the distribution of consumer income in the United States, families and single individuals can be considered together. Such treatment is justified by the lack of a sharp distinction between the two groups from the standpoint of the receipt and use of income. The diversity among the consumer units that make up the 29 million families is fully as great as that between families as a group and single individuals. An income of $1,000 a year means, to be sure, one thing to a single man or woman and another to an average family of four. But it also has quite different meanings to the family of two persons and to the family of eight. These two major groups of consumer units can therefore be combined, at each income level, to show the curve of income distribution for the Nation as a whole. . . .

The income distribution of all families and single individuals combined is presented in detail in table. The figures show both the number of consumer units at each level of income and the

share of the aggregate income they received. The results tell a story very similar to that already described for each group of consumer units separately. Nearly one third (32 percent) of the total number of families and single individuals had incomes under $750, nearly one half (47 percent) received less than $1,000, and more than two thirds (69 percent) received less than $1,500. At the other end of the income scale, about 2 percent had incomes of $5,000 and over, and less than 1 percent incomes of $10,00 and over. . . .

The Three Thirds of the Nation. This summary of the distribution of national income has revealed that almost one third of all families and single in-

TABLE 1

DISTRIBUTION OF FAMILIES AND SINGLE INDIVIDUALS AND OF AGGREGATE INCOME RECEIVED, BY INCOME LEVEL, 1935–36

Income level	Families and single individuals			Aggregate income		
	Number	Percent at each level	Cumulative percent	Amount (in thousands)	Percent at each level	Cumulative percent
Under $250	2,123,534	5.38	5.38	$294,138	0.50	0.50
$250–$500	4,587,377	11.63	17.01	1,767,363	2.98	3.48
$500–$750	5,771,960	14.63	31.64	3,615,653	6.10	9.58
$750–$1,000	5,876,078	14.90	46.54	5,129,506	8.65	18.23
$1,000–$1,250	4,990,995	12.65	59.19	5,589,111	9.42	27.65
$1,250–$1,500	3,743,428	9.49	68.68	5,109,112	8.62	36.27
$1,500–$1,750	2,889,904	7.32	76.00	4,660,793	7.87	44.14
$1,750–$2,000	2,296,022	5.82	81.82	4,214,203	7.11	51.25
$2,000–$2,250	1,704,535	4.32	86.14	3,602,861	6.08	57.33
$2,250–$2,500	1,254,076	3.18	89.32	2,968,932	5.01	62.34
$2,500–$3,000	1,475,474	3.74	93.06	4,004,774	6.76	69.10
$3,000–$3,500	851,919	2.16	95.22	2,735,487	4.62	73.72
$3,500–$4,000	502,159	1.27	96.49	1,863,384	3.14	76.86
$4,000–$4,500	286,053	.72	97.21	1,202,826	2.03	78.89
$4,500–$5,000	178,138	.45	97.66	841,766	1.42	80.31
$5,000–$7,500	380,266	.96	98.62	2,244,406	3.79	84.10
$7,500–$10,000	215,642	.55	99.17	1,847,820	3.12	87.22
$10,000–$15,000	152,682	.39	99.56	1,746,925	2.95	90.17
$15,000–$20,000	67,923	.17	99.73	1,174,574	1.98	92.15
$20,000–$25,000	39,825	.10	99.83	889,114	1.50	93.65
$25,000–$30,000	25,583	.06	99.89	720,268	1.22	94.87
$30,000–$40,000	17,959	.05	99.94	641,272	1.08	95.95
$40,000–$50,000	8,340	.02	99.96	390,311	.66	96.61
$50,000–$100,000	13,041	.03	99.99	908,485	1.53	98.14
$100,000–$250,000	4,144	.01	100.00	539,006	.91	99.05
$250,000–$500,000	916	(1)	.....	264,498	.45	99.50
$500,000–$1,000,000	240	(1)	.....	134,803	.23	99.73
$1,000,000 and over	87	(1)	.....	157,237	.27	100.00
All levels	39,458,300	100.00	.....	$59,258,628	100.00	.....

[1] Less than 0.005 percent.

dividuals in the country had incomes of less than $750 during the year 1935–36. This finding is provocative of many questions. Where did these people live? What were their occupations? How many of them were dependent on relief at some time during the year? How did they compare with the other two thirds of the Nation? . . .

The Lower Third. When all consumer units are grouped into exact thirds, we find that the lower third received incomes of less than $780 during 1935–36. These 13 million families and single individuals are not a distinct and unusual group; they include all types of consumer units, living in all types of community, and belonging to all of the major occupational classifications. They differ from the other two thirds of the Nation principally in the larger proportion receiving relief at some time during the year, in the larger number living on farms, and in the small number found in professional, business, and clerical occupations.

Although almost 4 million families and single individuals in this lower third were dependent on relief for at least part of the year, fully 70 percent of the total number—that is, a little over 9 million —received no assistance of any kind from a relief agency. About 1,700,000 of this nonrelief group were independent single men living alone or as lodgers; almost the same number—1,600,000—were single women; and 5,900,000 were families of 2 or more persons.

Somewhat more than half of these nonrelief families lived on farms or in rural communities of less than 2,500 population, and about one sixth—just 1 million—lived in cities of 100,000 population or more. According to occupation, these families were almost equally divided between wage earners and farmers, with only one fifth—1,200,000 in all —in other occupational groups.

The share of the aggregate income received by this lower third of the Nation was just over 10 percent of the total $59 billion. The average income of the group—that is, the mean income of the 13 million consumer units—was $471.

The Middle Third. The middle third of the Nation included the 13 million families and single individuals receiving from $780 to $1,450 during the year. Only 13 percent of these consumer units, or about 1,700,000, were dependent on relief at some time during the year. In the nonrelief group there were more single men and fewer single women than in the lower third, twice as many families living in large cities and metropolises, and more than twice as many families in the clerical, business, and professional groups.

The total income received by all consumer units in this "middle class" amounted to 24 percent of the aggregate income. The average (mean) income per consumer unit was $1,076.

The Upper Third. The upper 13 million consumer units covered a wide range of incomes, extending from $1,450 to over a million dollars. The great majority of this upper third—over 80 percent—were nonrelief families. Only a small number of families that received work relief or direct relief at some time during the year had incomes that brought them over the $1,450 line, when earnings from regular employment and income from all other sources were added together. No single individuals who received any relief had incomes sufficient to bring them into this group. The number of nonrelief single individuals was smaller than in the middle and lower thirds. This was particularly true of single women; only one-sixth of the total number of nonrelief single women were in the upper third, while more than half were in the lower third. . . .

The contrast between the incomes of farm and city dwellers is striking. Of the whole group of 7,500,000 nonrelief families living in large cities and metropolises, more than 4,000,000—that is, 58 percent—are found in the upper third. Only 27 percent of the 6,200,000 nonrelief farm families, however, had incomes as high as $1,450. The incomes of the various occupational groups are similarly contrasted. Almost 80 percent of the nonrelief families in the professional group are found in the upper third, and 63 percent of the business and the clerical groups, as compared with 35 percent of wage-earning families and 27 percent of farm families. . . .

The total income received by all of the 13 million consumer units in this top third of the Nation was $39 billion—about 66 percent of the aggregate income of all families and single individuals. The average (mean) income of the group as a whole was thus just under $3,000. This average, however, covers such widely divergent incomes that it has little meaning. Most of the families in the nonrelief wage-earner group were concentrated toward the lower end of the income range, with the average for the group amounting to about $2,100. For the clerical group of nonrelief families the average was about $2,500, and for the farm group, about $2,600—still well under the average for the whole third. Families in business and professional groups, on the other hand, were scattered through the full range of the income scale, and the high incomes of those at the top brought the average of the first group to more than $4,400, and that for the second group to nearly $5,000. . . .

Productivity, Wages, and National Income

BY SPURGEON BELL

THE INCOME of a nation is derived from the productive activities of its people. The amount of goods and services produced depends upon a combination of factors, including the richness of natural resources, the efficiency of labor, the resourcefulness and skill of management, and the amount and quality of capital—that is, productive plant and equipment. The more effectively these several factors of production work together, the larger will be the resulting output of goods and services.

The factor which has been most largely responsible for the enormous increase in production in the last hundred years or so has been the continuous expansion of increasingly efficient capital instruments. Scientific discoveries and inventions have resulted in the development of machinery for use in nearly every field of production. Working with machinery, labor is able to turn out a greater volume of goods in a given time. The efficiency of labor may also be increased by improved factory organization or by harder and more effective work on the part of individual laborers.

Increases in labor efficiency are commonly measured by the output per man during a specific time period such as an hour. Accordingly, in showing changes in labor efficiency such terms as "output per man-hour," or "man-hour productivity," are employed. If, for example, 1,000 men in 1920 could produce 1,000 units of a given commodity in an hour, while 20 years later 1,000 men were able to produce 1,500 units in an hour, we would say that man-hour productivity had increased 50 per cent.

The investigation on which this pamphlet was based had two primary purposes: first, to determine the extent to which man-hour productivity has increased in the last 20 years; and, second, to ascertain how the resulting gains have been divided among labor, capital, and the general public. An increase in man-hour productivity means, of course, that the amount of human energy required in turning out a given volume of product has declined. Unless the resulting saving in labor is offset by the use of a larger amount of capital, there is obviously a net reduction in the cost of production. Who received the benefit from this increasing productivity and reduction of cost? Did it go to the stockholders of the company in the form of higher dividends? Did it go to labor in the form of higher wages? Did the public which buys the product obtain the benefit in the form of more goods for its dollar?

The investigation also gives attention to the relation of increasing man-hour productivity to employment. Are the workers who are replaced by machinery in a given industry shortly reabsorbed in new jobs in that industry? Or does technological progress appear to be primarily responsible for the prevailing unemployment? How is employment affected by the way in which productivity gains are distributed? The analysis as a whole is thus related to the fundamental problem of the bearing of income distribution upon the functioning of the economic system.

I. PRODUCTIVITY, OUTPUT, EMPLOYMENT, AND WAGES

Because of the lack of satisfactory data in certain fields, the analysis is confined to four major divisions of American industry: manufacturing, mining, railroads, and electric light and power utilities. Taken together, these four divisions account for approximately 75 per cent of the industrial wage disbursements in the United States. We shall first examine the extent of the productivity gains in each of the major industrial divisions and the accompanying changes in the volume of output, in employment, and in wages.

1. MANUFACTURING. During the last two decades improved capital equipment and more efficient industrial organization have resulted in a great increase in productivity in manufacturing industry generally. The extent of the increase and the accompanying changes in the volume of output, in employment, and in wage earnings are indicated in the table which follows. We are interested not

PERCENTAGE CHANGES IN MANUFACTURING

	1923–24 to 1928–29	1928–29 to 1936–37	Entire Period
Productivity	+25	+20	+50
Physical volume of output	+27	− 1.4	+25
Man-hours of employment	+ 1.8	−18	−16
Number of wage earners	+ 2.8	+ 0.8	+ 3.5
Hourly earnings	+ 6	+ 7	+13
Weekly earnings	+ 4.7	−13	− 9
Weekly earnings—real	+ 5	+ 0.9	+ 6

only in the general trend over the period as a whole but also in variations occurring in a period of great prosperity, such as the twenties, and a period of depression and moderate recovery, such as the thirties. Since the data for any one year may be distorted by abnormal or temporary conditions, we have used in the computations three sets of years—1923–24, 1928–29, and 1936–37. While the figures are given in precise terms, it should be understood that the data are such as to yield only fair approximations.

Productivity. During the five-year period 1923–24 to 1928–29, productivity, or output per man-hour, increased 25 per cent. In the ensuing eight-year period to 1936–37, the increase amounted to 20 per cent. Over the entire period the percentage increase, as measured from the 1923–24 base, was approximately 50 per cent.

The rate of technical progress was less rapid in the thirties than in the twenties. This finding is not in accord with the common assumption that the introduction of labor-saving equipment has been a special characteristic of the depression period. Moreover, the increase in productivity during the thirties was apparently due in part to the lay-off of less efficient workers and to pressures which are always present when jobs are highly prized. It is not improbable, therefore, that with a return of very active business, the output per man-hour would show an appreciable decline. This conclusion is borne out by the fact that there was a material decrease in productivity during the expansion months of 1936–37.

Output. What changes occurred with respect to the volume of production? With an increase in productivity it is obvious that a *proportionate* increase in output is possible. In the twenties, as indicated by the table, the actual volume of output increased more than productivity. In the thirties, however, the physical volume of output declined 1.4 per cent, while productivity was increasing 20 per cent.

Employment. What were the effects of these changes in productivity and volume of output upon employment? In the twenties, when output increased in proportion to productivity, employment was fully maintained. In fact, the figures show a slight increase both in the number of wage earners and in the man-hours of employment. But the failure of output to keep pace with productivity during the thirties meant that employment declined. The figures indicate a decline in *man-hours* of employment of 16 per cent for the entire period. It is to be noted, however, that the *number of workers* increased slightly—the reduction in man-hours of employment being the result of a decline in the weekly hours of work rather than in the number of men employed.

Wages. Hourly earnings, or wage rates, increased approximately 6 per cent during the prosperity period of the twenties. Between 1928–29 and 1936–37, notwithstanding a sharp decline during the years of acute depression, there was an increase of 7 per cent in wage rates. These trends, it will be noted, are the reverse of the changes which were occurring in productivity. Hourly earnings, however, tell only a part of the wage story.

Weekly earnings increased in the twenties nearly as much as hourly earnings, but in the thirties weekly earnings showed a substantial decline, while hourly earnings were rising. The differences between the movements of hourly earnings and weekly earnings reflect changes in the number of hours worked per week by employees regularly attached to the industry. The sharp decline in weekly earnings during the thirties is due chiefly to the shortening of the standard working week, with irregular hours of work a contributing factor.

Data showing average annual wages per employee are too inadequate to permit the use of definite figures. It is known, however, that annual wages declined during the thirties more than weekly wages—because of periods of lay-off during the years for some workers and complete unemployment for others.

Real wages made an appreciably better showing than money wages. The term "real wages" relates of course to the buying power of money wages. Over the period as a whole, the *cost of living*—that is, the cost of goods and services which the worker buys—declined approximately 14 per cent, practically all of the reduction coming after 1929. As a result of the decrease in prices, there was an increase in *real* weekly earnings over the period as a whole of approximately 6 per cent, even though money wages declined 9 per cent. . . .

SUMMARY. We have thus found that there was a large increase in productivity in each of the four major industrial divisions during the period studied. The greatest increase was in electric light and power, with mining a fairly close second. The increase of efficiency in railroads—a declining industry—was practically as great as in the expanding manufacturing industry. Except in the electric light and power industry, the rate of increase was less rapid in the thirties than in the prosperity period of the twenties.

Over the period as a whole, production in general did not increase as much as productivity, and,

consequently, employment declined. There is a striking difference between the showings in the twenties and the thirties. In the twenties, when business was prosperous and output keeping pace with productivity there was, in general, no decrease in employment. During the thirties, however, output generally declined and, since productivity continued to increase, employment showed a great decrease.

The explanation of the decline in employment after 1929 is of course to be found in the general factors which account for the depression and the continuing restriction of the volume of output. Increasing productivity makes possible increasing output, the maintenance of employment, and higher standards of living; but whether these results will be realized depends upon a combination of favorable factors in the economic and political situation as a whole.

II. Division of the Gains

Thus far we have indicated the magnitude of the increase in productivity and the accompanying changes in the volume of production in employment and in wages. The next stop in the analysis is to indicate how the gains, or savings, resulting from the increase in efficiency and lowered costs of production were divided. When costs were reduced, did the owners receive all of the benefits in the form of higher dividends, or did labor succeed in diverting savings to the wage envelope? Or, perchance, were they passed on to the consuming public in the form of lower prices? The facts indicate that the three groups shared in the gain in varying degrees in the different industries.

1. GAINS TO LABOR. Labor on the whole did not gain in the way of higher wages. While wage earners obtained progressively higher hourly rates of pay, weekly wages in the four industrial divisions combined declined—in consequence of the progressive shortening of the work week. Hourly earnings increased over the period by 11 per cent, ranging from 1.7 per cent in mining to 30 in electric light and power. Weekly wages as a whole decreased 10 per cent, though in railroads and electric light and power they increased.

It is apparent that a substantial part of the gains was expected to accrue directly to the benefit of labor. But the man-hours of employment declined so much that labor as a whole received less money than before. In some cases the workers actually employed received larger earnings, but in other cases even these relatively fortunate workers received less because of the shortening of the work week to make room for more workers. In such cases, labor's gains from productivity were merely in the form of leisure.

If these gains in leisure be reckoned in dollars at the hourly rates paid in the various industries, the *imputed* gains would amount to 1,086 millions in manufacturing, 150 millions in railroads, and 50 millions in the electric light and power industry. It is impossible to make such a calculation for mining, because of inadequate data.

2. GAINS TO CAPITAL. The earnings on capital investment declined over the period as a whole. The amount of annual return on the *total capital* invested in manufacturing, railroads, and electric light and power industries *combined* declined 392 million dollars, representing a decrease of 7.7 per cent. The rate of return on capital (including interest, rent, dividends, and undistributed profits) decreased from approximately 6.4 per cent in 1923–24 to about 5.6 per cent in 1936–37. This decline is of course not attributable to the increase in productivity. Without such an increase the decline might well have been much greater.

Aggregate earnings declined because output did not increase in line with the increase in productivity. Just as labor found the hope of obtaining higher wages frustrated by slack employment, so the return to capital declined because of the failure to utilize productive capacity fully.

3. GAINS TO CONSUMERS. Consumers realized very important gains in terms of real goods and services. As a result of price reductions, made possible by increased productivity, the consuming public got more goods for the same money. The figures which followed indicate how much less consumers paid annually for the various classes of goods at the end of the period than they would have had to pay had productivity remained at the 1923–24 level.

Consumer savings in connection with the purchase of manufactured commodities were at the rate of 5,055 million dollars annually. The gains accruing to the users of railroad service amounted to 556 millions. Users of electric current saved 463 millions. Data for the mineral field were too inadequate to warrant presenting a figure.

It should be borne in mind that wage and salaried employees and also contributors to capital shared in these gains in their capacity as consumers. It should also be pointed out here that the aggregate gains to consumers were even larger than is shown by the foregoing figures because in many cases the quality of the commodity or service was improved.

In summary, it is apparent that the consuming public derived the principal benefit from the increase in productivity. The gain to capital was

negative in character: had it not been for the increase in productivity the decrease in the rate of return to capital would doubtless have been greater than it was. The money earnings of employed labor declined slightly: such gains as labor received were in the form of leisure. However, both labor and the contributors of capital shared in consumer benefits. . . .

The Conditions of Economic Progress

BY COLIN CLARK

SUMMARY AND CONCLUSIONS

ECONOMICS, in concerning itself only with those things which can be bought and sold for money, remains quite unmoved by the charge that it is neglecting the most important aspects of human life. Economics is a wide enough subject already without having to include the whole of philosophy, psychology, sociology and human biology in addition. Let economists get on with their work, and let the students of other social sciences get on with theirs.

When, therefore, we say that the average American enjoys greater economic welfare than the German, the German than the Italian, the Italian than the Indian, or present-day Europeans than their ancestors a century ago, we are perfectly well aware that the relative merits of these civilisations are not necessarily described by this economic ordering. A community making great economic progress may lack, and an economically unprogressive community may possess in full measure, the other values of life, such as a sense of contentment and of hope for the future.

Economic progress can be defined simply as an improvement in economic welfare. Economic welfare, following Pigou, can be defined in the first instance as an abundance of all these goods and services which are customarily exchanged for money. Leisure is an element in economic welfare, and more precisely we can define economic progress as the attaining of an increasing output of these goods and services for a minimum expenditure of effort, and of other scarce resources, both natural and artificial.

Two other elements have to be taken into account in assessing economic welfare. A productive system leading to great inequalities of income between one person and another, or to great instability of income, even if it produces a higher output of goods and services, should be regarded as creating less economic welfare than a system from which these features are absent. Unlike quantities of output, these two latter features cannot be measured or compared in uniform terms and qualitative judgment is necessary. They will be surveyed below.

Quantitative comparison can be made of the production of goods and services, or of what amounts to the same thing, namely real incomes produced per unit of labour, both between different times and different communities. Different communities, or people living in different times, consume different types of goods. Where these differences are very great, quantitative comparisons of real income become very approximate, but for moderate differences the formulae proposed by Professor Pigou make quantitative comparison possible. All such comparisons throughout this book are made in terms of what is defined as an "international unit" (referred to throughout as I.U.).

An international unit is defined as the amount of goods and services which could be purchased for $1 in the U.S.A. over the average of the decade 1925–34, or an amount interchangeable with them, as shown by the Pigou formula. For international comparisons of real incomes, the incomes are reduced to a 48-hour week basis by a simple proportion between the current prevailing working hours and 48.

This method of measurement of real incomes in different countries does not claim any metaphysical finality. It represents indeed the measurement of only part of economic welfare, which in itself is only part of well-being as a whole. But within the sphere of economic goods and services it represents the most reasonable measurement which can be obtained.

We may summarise the data about the level of real income in different countries by expressing the average real income in each country per head of the working population. (The ratio of working population to total population varies widely, and in any case output per head of the working population is the true measure of economic efficiency.)

Summarising these figures, the world is found to be a wretchedly poor place. An average real income per worker of 500 I.U. or less (in round figures a standard of living below £2 or $10 per week per breadwinner) is the lot of 81 per cent of the world's population. A standard of living of 1000 I.U. per worker per year or more is found only in U.S.A., Canada, Australia, New Zealand,

Argentine, Great Britain and Switzerland, containing between them 10 per cent of the world's population. Another 9 per cent of the world's population is found in the principal industrial countries of Europe with an average real income per head between 500 and 1000 I.U. About 53 per cent of the world's population, including the whole populations of India and China, enjoys a real income per head of less than 200 I.U. Average real income per bread-winner in China and India is about 120 and 200 I.U. respectively.

The figures so far quoted represent income produced in the actual prevailing working hours which, in many cases, were much greater than 48 per week.

Stated in another way, the entire world's production of economic goods and services, averaged over the decade 1925–34, was 254 milliard I.U. per year. As much as 119 milliard I.U. of this was produced in the four largest economic units (U.S.A., Great Britain, Germany and France), containing between them only 13 per cent of the world's population. The other countries which may be called industrial countries, including Russia and Japan, contained 16 per cent of the world's population and produced a further 49 milliard I.U. of income. Two-thirds of the world's whole output of economically valuable goods and services was therefore produced in the so-called industrial countries containing less than one-third of the world's population, and nearly half of the world's whole output in four countries.

Oft-repeated phrases about poverty in the midst of plenty, and the problems of production having already been solved if only we understood the problems of distribution, turn out to be the most untruthful of all modern clichés. In the U.S.A. the highest level of real income per head of the working population so far attained was in 1929 with 1582 I.U. per head (on the basis of a 48-hour week). If all the industries of the U.S.A. had been working at full practical capacity (which would have involved extensive economic reorganisation), average income produced per head would have been 1905 I.U., and in 1937 about 2200 I.U. These figures are very modest compared with the fantastic statements sometimes made about the extent of unused productive capacity. Britain and Germany working at full productive capacity could have produced in 1937 approximately 1500 I.U. and 1000 I.U. per head respectively, while actually they produced 1275 and 828 I.U. per head respectively.

The under-utilisation of productive capacity is a question of considerable importance only in the U.S.A., though in certain recent years also it has been of some importance in Great Britain, Germany and France, but for most of the world it is entirely subsidiary to the much more important fact that, with productive resources fully employed, they can produce so little. The age of plenty will still be a long while in coming.

The extent of non-utilisation of potential productive resources can be to some extent measured by figures of the proportion of the working population unemployed, bearing in mind that at a time when the economic system is working at full pressure there generally remain somewhere between 5 and 10 per cent unemployed due to occupational maldistribution. In the worst years of the last depression unemployment was over 30 per cent in Germany and the U.S.A., and in other industrial countries ranged from 9 to 22 per cent.

In 1937 it was 21 per cent in U.S.A. and about 24 per cent in France, and in other industrial countries ranged from 6 to 13 per cent. If preventable unemployment were eliminated throughout the trade cycle, this would mean a distinct improvement in the standard of living of the population of the U.S.A., but from the standpoint of the world as a whole it would only make a small contribution towards the much greater productive problem of raising the real incomes of the bulk of the world's population to anything like a civilised standard.

Very little attention has been devoted to ascertaining the causes of the tremendous differences in real income which prevail between different parts of the world. Conventional explanations in terms of natural resources are very wide of the mark. Our next step in attempting to get a grasp of this problem should be to examine the growth of real income in various countries over a long period of years, and the trends which have brought figures of real income to their present levels.

For this purpose, not only current levels of real income per head are expressed in international units, but the available information in each country about growth of real income per head is also re-expressed in terms of international units. Information in some cases is available as far back as 1850. Over long periods of time the figures naturally lose precision, but some striking general trends can be discerned.

One of the most striking features is that real income per head in the U.S.A. and Canada, which was rapidly rising up to about 1900, has since that date been virtually stationary. Between 1850 and 1900 the U.S.A. had much the highest real income per head in the world with a fairly marked upward trend. During the last few years their level of real income per head has been overtaken by New Zealand, where the upward trend is very

rapid, while in Great Britain progress, though it has slowed down since 1900, has continued, and Britain is now not far behind the U.S.A. Rapid progress since 1890 has also been shown by Switzerland and Australia.

In France economic progress appears to have been very rapid up to the beginning of the present century, to be followed by a period of complete stagnation. The German economy, for obvious reasons, showed a marked decline between 1913 and 1932, since which date there has been a rapid advance and the old upward trend has been resumed. The most rapid advance has been shown by Japan, which started the present century with a level about equal to that of China, and has risen very steeply to an average real income per head now about equivalent to that of Italy or Russia. Rapid and unbroken progress has also been shown by Sweden, in which country in the 1860's average real income per head was only about 150 I.U. Sweden has now overtaken all European countries except Britain and Switzerland. Norway also shows a rapid advance. Italy, also starting from a low level, has shown a moderately rapid advance between 1900 and 1928, followed by a recession. In Russia the upward trend has been exceedingly slow, and only in 1936 was the 1913 level of real income per head recovered.

Attention may first be devoted to the Malthusian or Neo-Malthusian theory that the trend of real income per head is inversely related to the rate of growth of population. Statistical examination leaves some fragments of this theory standing, but no more. The lowest rate of population increase over the period 1913 to 1930 was found in Czechoslovakia, France, Belgium and Austria. In Czechoslovakia there was a moderate increase in real income per head, while in the other three countries it was stationary or declining. At the same time in Canada, Norway, Sweden, Australia, Denmark and Japan substantial increases in the working population were accompanied by large increases in real income per head and reductions in working hours.

In predominantly agricultural countries something more like the Malthusian relationship holds. Large increases of population in Bulgaria, France, Finland and Russia have been accompanied by an unfavourable trend of real income, while the upward trend of real income in Yugoslavia is possibly explained by a low rate of population growth. It is possible, though not very likely, that the comparative stationariness of real income per head in Germany and Holland were partly accounted for by a high rate of growth of adult population over this period.

Generally speaking, it is established that in industrial countries, or countries which have an opportunity of transferring a substantial proportion of their working population away from primary production, the Malthusian theory does not hold and, indeed, that its reverse may be true. Unfortunately it is in the industrial countries, where an upward trend of population is advantageous, that fertility rates have fallen so heavily; while in the agricultural countries, where an increasing population is economically disadvantageous, fertility remains high. . . .

Studying economic progress in relation to the economic structure of different countries, we find a very firmly established generalisation that a high average level of real income per head is always associated with a high proportion of the working population engaged in tertiary industries. Primary industries are defined as agriculture, forestry and fishing; secondary industries as manufacturing, mining and building; the tertiary industries include commerce, transport, services and other economic activities. In the U.S.A., Canada, Great Britain, Australia and New Zealand, nearly half of the working population is engaged in tertiary industries; in other European industrial countries and the Argentine, between 33 and 40 per cent. Low real income per head is always associated with a low proportion of the working population engaged in tertiary production and a high percentage in primary production, culminating in China, where 75–80 per cent of the population are primary producers. High average real income per head compels a large proportion of producers to engage in tertiary production even in countries which are supposed to be predominantly agricultural (Australia, New Zealand and the Argentine), where, in fact, only about 25 per cent of the working population are found to be engaged in primary production. The reasons for this growth of the relative number of tertiary producers must largely be sought on the demand side. As incomes rise (it will be shown below) the demand for such services increases, and being non-transportable they must be supplied by workers within the country concerned.

When we examine the trend through time, we find a similar result. In every case we find the proportion engaged in primary industry declining and in tertiary industry increasing. The proportion of the working population engaged in secondary industry appears in every country to rise to a maximum and then to begin falling, apparently indicating that each country reaches a stage of maximum industrialisation beyond which industry begins to decline relative to tertiary pro-

duction. In the U.S.A. this maximum was shown in the Census of 1920, in Great Britain of 1901, in France of 1901, in Germany of 1925, in Canada of 1911, in Japan of 1920 and in Switzerland of 1910. In Australia, Italy and Denmark the maximum does not yet appear to have been reached.

Accompanying these industrial changes are substantial occupational and social changes, leading to a gradual elimination of the manual worker, particularly the unskilled, and the rapid growth of the numbers of clerical and professional workers. The decline of agriculture tends to reduce the relative number of employers and independent workers, though the growth of tertiary industry tends to restore their relative importance. These large-scale movements of labour between industries and occupations, which economic progress continually demands, are accompanied by substantial movements of relative earnings. Low relative earnings in an industry encourage labour to leave that industry though, on the other hand, they may encourage employers to use more of that type of labour, and no exact result is predictable. In the U.S.A. relative earnings of farm workers have been declining heavily; at the same time in the rapidly expanding clerical occupations there has also been a rapid decline in relative earnings over the last fifty years, and their average is now at or below that of factory workers. There is no doubt that the supply of such labour has been greatly augmented by wider educational facilities. The existence of these, together with natural preference for work of this type, might alone suffice to explain the fall in relative earnings. The wages of unskilled labour, relative to skilled, have been stationary, while there has been some relative upward trend in professional earnings, in spite of the greater availability of education previously mentioned. Presumably in this case the rapidly increasing demand is overtaking the supply.

In most countries the relative earnings of unskilled men increased relative to skilled between 1913 and 1920. Since 1920 the ratio has moved back, though in each case remains more favourable to the unskilled man than it was in 1913. This has been accompanied by serious occupational maldistribution in nearly all industrial countries, particularly the creation of an excess of unskilled workers. This is not altogether due, as might first appear, to the attraction of labour into unskilled work by the relative improvement of its wage rate. Professor Bowley's inquiries in England have shown that the probability of a boy entering unskilled labour is largely determined by his father's occupation, and the relative surplus of unskilled labour in all industrial countries can be accounted for by the preservation of the old social structure in the face of a declining demand for unskilled labour.

The closing of the margin between unskilled and skilled labour on the one hand, and between manual and clerical work on the other hand, is part of a general tendency towards equalisation of earnings which seems to prevail throughout the world. Examining wage rates for a standardised list of skilled and unskilled occupations in different countries, we find a wide dispersion in the comparatively primitive countries, and a narrow dispersion in Western Europe, U.S.A. and Australia. Professor A. G. B. Fisher has pointed out that increasing opportunities for education will certainly narrow the dispersion of earnings in a community. . . .

Volume of production per unit of labour in primary industry has grown rapidly in all countries over the last sixty years, and generally as rapidly as in manufacturing industry. This is due partly to improvements in biological knowledge (particularly increased milk yield per cow) and partly to greater use of machinery. Gains from the use of machinery in agriculture are, however, often illusory, and in most countries of the world at present a further substitution of horses by machinery would not lead to any economic gain. Even in China, where return per unit of labour is now very low, machinery could only be economically introduced into the semi-arid land at present uncultivated.

In secondary industry, figures of net production per worker engaged can be roughly converted into international units for comparison. The highest productivities are found in America and Canada, and much lower productivity in Europe. But the range here is not nearly so great as it is in primary production.

A detailed computation of real output per worker-hour in manufacturing industry in the U.S.A. shows a three-and-a-half-fold increase between 1870 and 1937. In Great Britain real output per worker-hour was about doubled in the sixty years preceding 1907, and increased by over 50 per cent between 1907 and 1936. A somewhat slower rate of increase was observed in Germany. In France, where a census of manufactures was first taken in 1840–45, real output per worker appears to have increased sevenfold between that date and 1930. . . .

As half the working population of many countries is engaged in tertiary industry, the efficiency with which they do their work is a factor of prime importance in determining the average level of real income per head in those countries, and in-

deed it appears that the wealthier countries largely owe their position to high productivity per head in those industries. There is a wide range between different countries in this figure. This is borne out by an examination of the real costs of transport and retail distribution in different countries (services where direct international comparison is possible). In Great Britain, Germany and the U.S.A. there is evidence that the real productivity of these industries is improving, though at a much slower rate than in primary and secondary industry.

These figures of productivity per head in different types of industry can now be assembled and combined to show the general average level of real income per head in the principal countries, now and at earlier dates, of which they are the cause. Economic progress clearly can be made by increasing production per head in the sphere of primary, secondary or tertiary industry; or by transferring labour from less to more productive spheres. In all countries both of these have been of importance. In the U.S.A. primary production has always yielded an income per head much lower than in secondary or tertiary industry, and the transfer of labour out of primary production has contributed substantially to increasing the general level of real income per head. In tertiary industry productivity has been high throughout and the growth of the numbers engaged in it from 17 per cent of the working population in 1850 to 46 per cent in 1935 has been a substantial factor in raising the average real income per head of the community. Since 1920 average real income per head in tertiary industry has been rising strongly. . . .

AMERICAN PROBLEMS

NRA AND AAA

ACCORDING TO New Deal economists, for whom Gardner C. Means (1896–) was an early spokesman, one of the important reasons for the depression was the disappearance of the free market in many sectors of the American economy. The shift from "market to administered prices" had culminated in pressures which brought on governmental intervention. Means argued, in the selection here reprinted, that if there was to be administration of prices, more justice would be dispensed among all the producers if this function were performed by governmental agencies like the NRA and the AAA than by private business groups—whether great companies, monopolies, trade associations, communities of interest, and the like. We have here, then, the rationale of price control—one of the first devices of the New Deal created in an effort to restore prosperity and reform American business practices.

To prove his contention, Means quoted the price and production experiences of ten major industries in the United States from 1929 to the spring of 1933. In the first five, "administered prices" prevailed; in the second five, "market prices" ruled. Here are his figures:

Industries	*Percent Drop in Prices*	*Percent Drop in Production*
Agricultural implements	6	80
Motor vehicles	16	80
Cement	18	65
Iron and steel	20	83
Auto tires	33	70
Textile products	45	30
Food products	49	14
Leather	50	20
Petroleum	56	20
Agricultural commodities	63	6

And Means concluded: "One may make the broad generalization, having of course many exceptions, that for industries in which prices dropped most during the depression production tended to drop least, while for those in which prices were maintained the drop in production was usually greatest. Indeed, the whole depression might be described as a general dropping of prices at the flexible end of the price scale and a dropping of production at the rigid end with intermediate effects between."

Means's study was printed as *Industrial Prices and Their Relative Inflexibility* and was released as Senate Document No. 13, 74th Congress, 1st Session (Washington, 1935).

Industrial Prices and Their Relative Inflexibility

BY GARDNER C. MEANS

PART I. THE BASIC CAUSE FOR THE FAILURE OF A LAISSEZ FAIRE POLICY

1. The National Recovery Administration and Agricultural Adjustment Administration were created in response to an overwhelming demand from many quarters that certain elements in the making of industrial policy (including agriculture as an industry) should no longer be left to the market place and the price mechanism but should be placed in the hands of administrative bodies—code authorities, crop control committees, etc. This demand is not only a product of emergency conditions, but is also a reflection of more basic dissatisfactions with the results of laissez faire, such as are reflected in the demands for weakening

the antitrust laws, strengthening labor organization, intervening to aid the farmers, and for such economic reorganization as will bring the higher standard of living made possible by modern technology.

2. The whole trend of social development both in this country and abroad has been to recognize the failure of a complete laissez faire policy.

3. The basic cause for the failure of a laissez faire policy is to be found in the very same forces which have made possible a high standard of living for all, namely, the gradual, century-long shift from market to administrative coordination of economic activity which has resulted in modern industrial organization and modern technology. This shift to administration has brought a new type of competition and inflexible administered prices which disrupt the workings of the market.

4. A century ago the great bulk of economic activity in the United States was conducted on an atomistic basis by individuals or families—as is most of agriculture today—while the actions of the separate individuals were coordinated by the market. The individual produced for sale and his activity was geared to and in part controlled by flexible market prices. Balance between the actions of individuals was maintained—insofar as it was maintained—by the impersonal forces of the market and the law of supply and demand. Through the market, the apparently unrelated activities of individuals were thus made to mesh into a single coordinated whole and industrial policy was made by the market as a result. The policy of laissez faire has rested on the assumption that the market would continue to make industrial policy and would remain a satisfactory coordinating mechanism.

5. But gradually more and more of economic coordination has been accomplished administratively. Great numbers of individuals have been drawn into large factories or business organizations and their activities have come to be coordinated within the separate enterprises by administrative action. In a single factory the separate activities of thousands of workers are coordinated by the factory management so as to mesh into a single producing organization. Within single corporate enterprises, tens and even hundreds of thousands of individuals have their economic activity coordinated by administrative direction. In 1929 the activity of over 400,000 workers was meshed into a great communication system by the management of the American Telephone & Telegraph Co. Contrast the coordination and balance among this group of workers with that among 400,000 separate farmers whose action in producing more or less of each product is controlled and balanced only by the market. In the first, we have the extreme of administrative coordination; in the second, the extreme of market coordination.

6. The shift from market to administrative coordination has gone so far that a major part of American economic activity is now carried on by great administrative units—our great corporations. More than half of all manufacturing activity is carried on by 200 big corporations while big corporations dominate the railroad and public-utility fields and play an important role in the fields of construction and distribution.

7. This development of administrative coordination has made possible tremendous increases in the efficiency of industrial production within single enterprises. The large number of workers brought into a single organization has allowed a high degree of subdivision of labor and the use of complicated series of machines so that the volume of production has been expanded way beyond the capacity of the same number of workers operating independently. Organization has made for rapid and extensive development of technology and the improving technology in turn has increased the advantages of administrative coordination. The telephone, the automobile, modern plumbing, are the joint product of technology and administration. The possibility of a high standard of living for all rests on these two interrelated factors.

8. But the very concentration of economic activity which brought increased productivity has by its nature destroyed the free market and disrupted the operations of the law of supply and demand in a great many industries and for the economy as a whole.

9. Evidence of this disruption is to be found in the administrative character and relative inflexibility of price in a great many industries and the fact that on the whole prices during the depression have tended to go down least where the drop in demand has been greatest.

10. The failure of prices to adjust is perfectly familiar to business men in nearly every industry. But the implications of this familiar fact for the economy as a whole have not been recognized.

11. In a large part of industry, the market is not equating supply and demand through a flexible price mechanism, but is bringing an adjustment of production to demand at administratively determined prices. Thus, General Motors may set the f.o.b. price of a 1934 Chevrolet at $500 and produce the half million cars demanded at that price, yet be willing and eager to produce and sell a million cars at that price if only there were buyers.

12. The presence of administered prices, while

it does not indicate monopoly, does mean that the number of concerns competing in the market has been reduced to the point that the individual concern has a significant power to choose within limits between changing its prices and changing its volume of production or sales. When any small drop in demand occurs, it is in a position to hold its price and reduce its production without losing all its business. As a result it tends to hold up price and reduce volume of production for the industry as a whole.

13. But this means that individuals have a direct power over industrial policy which they exercise in making business policy for their own enterprise.

14. The distinction drawn here between industrial policy and business policy is of the greatest importance.

15. According to laissez faire principles, industrial policy was supposed to result from the interaction in the market of the business policies of a large number of independent units, no one of which had any significant power. In the truly atomistic economy to which the principles of laissez faire applied, no individual buyer or seller alone had any significant power over either price or total volume of production for the industry. Prior to A.A.A., agricultural products, such as wheat and cotton, were produced and marketed under these conditions.

16. Where the number of competing units in a particular industry have been reduced to a relatively small handful, industrial policy is no longer made wholly by the market but in part by individuals. Industrial policy becomes subject to administrative control even though there is no monopoly or collusion between the separate enterprises.

17. But when the business man has the power to affect industrial policy, he almost necessarily makes wrong industrial decisions. The very position, experience and training of the business man which lead him to make the correct decisions on business policy tend to force him to make the wrong decisions on industrial policy in spite of the utmost public spirit which he, as an individual, may seek to exercise. The fact that his decisions are wrong from the point of view of the public interest is no necessary reflection on either his character or his intelligence, but arises from the nature of the situation within which he operates and the functions which he performs.

18. The business man is expected to make business policy in a way to maximize the profits of his own enterprise. When he has the power to choose between lowering price and lowering production, good business policy frequently requires him in the presence of falling demand to hold price and curtail his production even though this means idle men and idle machines. The amount by which he can count on increasing his sales by lowering price is usually so small that the whole balance of his interest as a business man points toward a restriction of production. The fact that he can lay off his workers enables him to cut production without having to carry the burden of idle workers as he does that of idle machines. His interest dictates lowering price only when he is able to squeeze his costs, particularly his labor costs. At best, it is an even choice whether he will choose to maintain profits or minimize losses by seeking a relatively large profit margin on a reduced volume or a small margin on a maintained volume of sales, and in such a situation the easier device, and the one involving the lesser risk, is the device of holding price and accepting curtailed volume. It is only because this holding of prices has become widespread and customary that the term "price chiseler" could be a term of opprobrium in an economy supposed to be coordinated through flexible prices.

19. The net effect of business control over industrial policy is, therefore, to aggravate any fluctuations in economic activity and prevent any necessary readjustments. An initial drop in demand would result, not in price readjustment, but in maintained prices and curtailment of production, thus throwing workers and machines out of employment, reducing money income and spending power, and further reducing demand. The inflexible administered prices resulting from the shift from market to administration thus act as a disrupting factor in the economy and could cause an initial small drop in demand to become a national disaster.

20. Only as the business man was willing to go directly counter to the interests of his enterprise as a profit-making concern and against business tradition would he make the kind of decisions which, if made throughout industry, would keep the economy functioning and would serve the fundamental interests of business itself. If during the depression individual business men throughout the economy had been persuaded to lower their prices, thus making decisions which appeared by all the standards available to them to be adverse to their interests, the result would actually have been in their interest since it would have reduced the severity of the breakdown.

21. So long, therefore, as concentration exists and important powers over industrial policy are exercised in the guise of business policy and result

in inflexible administered prices, the market cannot be expected to coordinate and balance economic activity under a policy of laissez faire.

22. Thus, administrative coordination—the very thing that has made modern technology and a high standard of living possible—has destroyed the effectiveness of the market as an overall coordinator by the inflexible administered prices which are inherent in the reduction of competing units it has produced.

23. It is the effects of this failure of the market mechanism which have brought the overwhelming demand from many quarters for governmental intervention in economic matters. This inflexibility has impeded the balancing of trade between nations, disrupted the workings of monetary policy, brought the banking system to its knees, obstructed full use of human and material resources, disorganized the flow of savings into useful equipment, brought an unbalanced national budget and greatly increased economic insecurity.

Part II. The Basic Choice in Social Policy

1. Since the administrative coordination which promises a high standard of living carries with it inflexible administered prices which destroy the effectiveness of the market as an overall coordinator, it is necessary to choose between two alternatives if an effectively functioning economy is to be established—either (1) atomize the administrative units to the point where inflexible administered prices disappear and the free market can become an effective coordinator, or (2) supplement the market mechanism with institutional arrangements (N.R.A., A.A.A., money system, etc.) sufficient to allow the economy to function effectively in the presence of and in spite of inflexible prices.

2. The first road would require the breaking up of large corporate units into a very great number of separate and wholly independent competing enterprises with the loss in efficiency which it would entail. Few realize the extent to which it would be necessary to pulverize industry. Each of the big automobile companies would probably have to be made into a hundred or more independent concerns; the big chemical companies would have to be broken into very much smaller units; and even after the break-up of the unregulated part of industry, the inflexible prices in the railroad and utility fields would impede economic adjustment, unless they also were broken up and made competitive. In order to make a laissez faire policy truly effective, productive efficiency would have to be greatly impaired and a lower standard of living accepted than is made possible by modern industrial organization and modern technology.

3. The second road, while employing the market as a major instrument, would seek to supplement the market at the points where it tends to fail. Many have held that this would require Government ownership or dictatorship since they can see no other alternative to a laissez faire policy.

4. Actually, the choice does not lie between private ownership and Government ownership because the problem is primarily the distribution of controls, not the locus of ownership.

5. Nor does the choice lie between the atomization of industry and an economic dictatorship, since it is only necessary to set up an institutional framework through which certain key industrial decisions are made and within which private or corporate enterprise and initiative can function effectively.

6. If inflexible administered prices are to be accepted as an inevitable product of modern technology and modern industrial organization, the following lines of action would be called for to prevent them from being a disrupting influence and to allow the optimum use of human and material resources.

(*a*) First, all pressure making for a general revision of prices either upward or downward would have to be eliminated from the economy, since any development requiring a general change in the inflexible prices would result in a change in production and economic unbalance. This would mean that a monetary policy would have to be adopted which aimed to keep the flexible prices as a group approximately in line with inflexible prices as a group and that a mechanism for the adjustment of international trade balances through general changes in prices would have to be replaced.

(*b*) Second, new techniques of control would have to be worked out for establishing the necessary elements of industrial policy so that the self-interest of individuals working through the market but limited by the framework of policy established would tend to produce the optimum use of human and material resources.

(*c*) Finally, violent dislocations in the flow of savings into capital goods would have to be minimized.

The remainder of this report will be devoted to the problems of making industrial policy.

Part III. The Problem of Making Industrial Policy

1. The National Recovery Administration and the Agricultural Adjustment Administration are in part a product of the economic break-down

resulting from inflexible administered prices. The major task ahead of them, if they are to facilitate the functioning of the economy, is to participate in the making of industrial policy where the market cannot produce satisfactory results.

2. The basic problem of both N.R.A. and A.A.A. is, therefore, to devise techniques of control for establishing the necessary elements of industrial policy.

3. Until this is recognized as the basic function of N.R.A. and A.A.A. the economic policies of these two agencies tend to be contradictory and confused; once the true function of these bodies has been recognized, the organization and policy implicit in this function will clarify much of their economic activity.

4. In establishing certain elements of industrial policy, the purpose of N.R.A. and A.A.A. should be to set up a framework within which the actions of individuals or groups, operating on their own initiative and in their own interest, will result in a fully functioning economy. The objective should be to accomplish what the market is supposed to accomplish, namely, a balance of the interests of the various interest groups which constitute industry so as to produce the most effective use of human and material resources.

5. To do this it is only necessary to find key decisions for each industry which, if made right, would so condition the other elements of industrial policy that the latter could be left to the actions of individuals and the operation of the market. . . .

6. The setting of key elements of industrial policy by administrative bodies to facilitate economic functioning is a new technique.

(*a*) Earlier interventions of government in industry have been essentially different.

(1) Antitrust legislation tried to maintain competition and the market as the maker of industrial policy and failed because it confused the absence of monopoly with the existence of a free market. The market break-down is not a matter of monopoly (as the courts have interpreted the term), but of the making of industrial policy by private individuals.

(2) Public-utility regulation establishes a major element of industrial policy—namely rates—but, because it is focused on the interest of property and not on balancing the interests of investors, workers, and consumers, it tends to aggravate the faults inherent in business decisions—witness the efforts to increase railroad rates during the depression. It has neither tackled the problem of getting service to the public under optimum conditions nor has it taken account of the problem of price rigidity introduced by the process of rate making.

(3) Government ownership and operation has involved taking on the whole job of industrial and business operation instead of simply the key industrial decisions. Government has here had to determine not only industrial policy but also business policy as well, with all the centralization which this involves.

(*b*) Collective bargaining has been a technique for establishing certain elements of industrial policy, but it tends to place the whole emphasis on the division of the spoils and loses sight of the other major aspects of industrial policy having to do with increasing the spoils to be divided.

7. In determining industrial policy by the making of key decisions, the essential problems are, first, to discover, industry by industry, what, if any, elements of industrial policy need to be established administratively and, second, to set up a mechanism which will get those key decisions made "right." . . .

TVA

DURING the first World War, the Federal government built at Muscle Shoals in Alabama a dam and power plant intended to increase the nation's capacity for the manufacture of the nitrogeneous products needed for the making of munitions. The war ended before the plant could be used and, for the decade afterward, Muscle Shoals was a minor bone of contention, lying unused because no purchaser offered what seemed a reasonable price and because government operation would be "socialistic." Senator Norris of Nebraska had stood firm against the disposal of Muscle Shoals, so that when the new administration entered the scene in 1933 the disputed dam was still in government possession.

In May, 1933, the Tennessee Valley Authority was created to improve navigation and land reclamation, promote flood control, and sell the surplus hydroelectric power which would be produced by its dams. Also, the Authority was charged with laying out a comprehensive

plan for promoting the social and economic welfare of the seven states in the Tennessee Valley region. In the sale of power (priority was to be given to public bodies and cooperatives), the TVA was to use rates that were to serve as a "yardstick" against which to measure those charged by the local private utilities. This provision aroused great opposition, not only on principle but also on the ground that since a government corporation could borrow at interest terms which no private enterprise could obtain, the costs were not properly comparable. The TVA had to face not only repeated challenge in the courts—which held constitutional most of its disputed activities (the sale of power to municipalities and the construction, for flood control purposes, of dams sufficiently high to produce hydroelectric power)—but also dissension within its own ranks when its chairman disagreed with his colleagues so acrimoniously that, in 1938, he had to be removed by the President.

In spite of these handicaps, TVA maintained itself against attack, dissension, and challenge in the courts and finally built its dams and power lines. Its flood-control work succeeded in guarding the Tennessee Valley from the disasters that struck other valleys in the flood years. The work and achievement of TVA is described by its administrator, David Lilienthal (1899–), in his *TVA-Democracy on the March* (New York, 1944). Though Lilienthal has a natural partiality for the organization he helped create, his enthusiasm is infectious as he tells how the men who made TVA attempted to use the methods of science to develop an area as a unity and to make the people of that area an active factor in the development. TVA tried to attack the problem of the separation between technological advance and human needs. The first task of the TVA administrators was to get its experts to see their special problems within the context of the valley as a living whole.

The book is most appealing in its descriptions of the growth and activities of TVA; it is most significant in its observations on the techniques of government. Government as combatant and government as umpire are familiar enough; government as public technician is something new. TVA, organized as an independent corporation, has been able to work outside conventional bounds to show the efficacy of the "Authority" method in dealing with problems that cross state lines yet are regional rather than national in scope. In the area controlled by the Port of New York, the authority method had shown its potentialities; but TVA extended the method over an entire region to demonstrate how joint action may be secured not by Washington fiat, but by the voluntary cooperation of the states and the communities within them. Regional problems, such as power and flood control, should be the concern of technical experts. Through federal autonomous agencies with authority to make decisions in the area where they operate, government may attack such regional problems without creating a top-heavy centralized bureaucracy.

This then is really an essay in political philosophy. Lilienthal is largely concerned with describing the processes by which the destiny of the TVA has been put into the hands of the people themselves. He sees the TVA, in brief, as a demonstration of the feasibility of making democracy function at the grass roots. The experts played and continue to play their parts. Their studies revealed the crimes that had been visited on the region's great natural resources by an earlier wasteful economy. Their researches demonstrated how new devices—peculiar to the needs of the region—could make the subsoil and the soil more productive economically. Their leadership erected the demonstration farms and helped in the creation of cooperatives and the appearance of new small industries. But the vitality of the programs grew from the fact that the local chambers of commerce, farmer organizations, trade union councils, and state, county, and municipal governments were ready to take over responsibility. One of the answers to the perils of the monolithic state is decentraliza-

tion of function; the solution for absentee control and exploitation is grass-roots participation and conservation.

The selection here reprinted is from Lilienthal's book and is published by permission of Harper and Brothers.

TVA—Democracy on the March

BY DAVID LILIENTHAL

Chapter XIV: Decentralization: Antidote for Remote Control

What I have been describing is the way by which in this region we are working toward a decentralized administration of the functions of the central government.

The chief purpose of such methods of decentralization is to provide greater opportunity for a richer, more interesting, and more responsible life for the individual, and to increase his genuine freedom, his sense of his own importance. Centralization in administration promotes remote and absentee control, and thereby increasingly denies to the individual the opportunity to make decisions and to carry those responsibilities by which human personality is nourished and developed.

I find it impossible to comprehend how democracy can be a living reality if people are remote from their government and in their daily lives are not made a part of it, or if the control and direction of making a living—industry, farming, the distribution of goods—is far removed from the stream of life and from the local community. . . .

Congress established the TVA as a national agency, but one confined to a particular region. This provided an opportunity for decentralization. A limited region, its outlines drawn by its natural resources and the cohesion of its human interests, was the unit of federal activity rather than the whole nation.

To the degree that the experiment as administered helps to solve some of the problems raised by the flight of power to the center and the isolation of the citizen from his government, history may mark that down as TVA's most substantial contribution to national well-being and the strengthening of democracy.

TVA's methods are, of course, not the only ones that must be tried. There will be different types and other methods of administration suitable to other problems and different areas. Diversity will always be the mark of decentralized administration, just as surely as uniformity (often for its own sake) is the mark of central and remote control.

Decentralization in action has been anything but an easy task. Its course will never be a smooth one, without setbacks and disappointments. Everywhere, nevertheless, the problem must be faced if we are to conserve and develop the energies and zeal of our citizens, to keep open the channels through which our democracy is constantly invigorated.

Overcentralization is, of course, no unique characteristic of our own national government. It is the tendency all over the world, in business as well as government. Centralization of power at our national capital is largely the result of efforts to protect citizens from the evils of overcentralization in the industrial and commercial life of the country, a tendency that has been going on for generations. Chain stores have supplanted the corner grocery and the village drug store. In banks and theaters, hotels, and systems of power supply —in every activity of business—local controls have almost disappeared. To be sure, business centralization has brought advantages in lower unit costs and improved services. Except by the village dressmaker, or the owner of the country store or hotel, the advantages of centralization, at the beginning, at least, were gratefully received. People seemed to like a kind of sense of security that came with uniformity.

The paying of the price came later when towns and villages began to take stock. The profits of local commerce had been siphoned off, local enterprise was stifled, and moribund communities awoke to some of the ultimate penalties of remote control. When a major depression struck in 1929, business centralization made us more vulnerable than ever before to the disruption that ensued. Power had gone to the center, decisions were made far from the people whose lives would be affected. Cities and states were powerless to meet the evils that were bred; the federal government had to act. The tendency to centralization in government was quickened.

It was ironic that centralized businesses should become, as they did, eloquent advocates of the merits of decentralization in government. From their central headquarters they began to issue statements and brochures. And a wondrous state of confusion arose in the minds of men: they ate food bought at a store that had its replica in almost

every town from coast to coast; they took their ease in standard chairs; they wore suits of identical weave and pattern and shoes identical with those worn all over the country. In the midst of this uniformity they all listened on the radio to the same program at the same time, a program that bewailed the evils of "regimentation," or they read an indignant editorial in their local evening papers (identical with an editorial that same day in a dozen other newspapers of the same chain) urging them to vote for a candidate who said he would bring an end to centralization in government.

I am not one who is attracted by that appealing combination of big business and little government. I believe that the federal government must have large grants of power progressively to deal with problems that are national in their consequences and remedy, problems too broad to be handled by local political units. I am convinced, as surely most realistic men must be, that in the future further responsibilities will have to be assumed by the central government to deal with national issues which centralized business inevitably creates. The war has advanced this trend.

The people have a right to demand that their federal government provide them an opportunity to share in the benefits of advances in science and research, the right to demand protection from economic abuses beyond the power of their local political units to control. But they have the further right to insist that the methods of administration used to carry out the very laws enacted for their individual welfare will not atrophy the human resources of their democracy.

It is folly to forget that the same dangers and the same temptations exist whether the centralization is in government or in mammoth business enterprises. In both cases the problem is to capture the advantages that come with such centralized authority as we find we must have, and at the same time to avoid the hazards of overcentralized *administration* of those central powers.

It can be done. It can be done in many business operations as well as in government activities. I have described the way in which the operations of the Tennessee Valley's power system have been brought close to the people of this valley. Certainly that makes clear that no blind fear of bigness underlies my conviction of the necessity for decentralized administration. Here we have centralized only the activities in connection with electric supply which are common to a large integrated area and can best be carried on by a single agency, that is, producing the power and then transmitting it from the dams and steam-electric plants to the gates of communities. But, as I have pointed out, in the Tennessee Valley system the ownership and management of the distribution systems are decentralized. Here, I believe, is one example, among many, of an effective combination of the advantages of the *decentralized administration of centralized authority*.

The distinction between authority and its administration is a vital one. For a long time all of us —administrators, citizens, and politicians—have been confused on this point. We have acted on the assumption that because there was an increasing need for centralized authority, the centralized execution of that authority was likewise inevitable. We have assumed that, as new powers were granted to the government with its seat at Washington, these powers therefore must also be administered from Washington. Out of lethargy and confusion we have taken it for granted that the price of federal action was a top-heavy, cumbersome administration. Clearly this is nonsense. *The problem is to divorce the two ideas of authority and administration of authority.*

Our task is to invent devices of management through which many of the powers of the central government will be administered not by remote control from Washington but in the field.

A national capital almost anywhere is bound to suffer from lack of knowledge of local conditions, of parochial customs. And in a country as vast as the United States, in which local and regional differences are so vital and so precious, many citizens and administrators are coming to see more and more that powers centrally administered from Washington cannot take into account the physical and economic variations within our boundaries. The national strength and culture that flows from that very diversity cannot be nourished by centralized administration.

It has become common observation that in Washington it is too easy to forget, let us say, the centuries of tradition that lie behind the customs of the Spanish-American citizens in New Mexico and how different their problems are from those of the men and women whose lives have been spent in the mountains of the South. It is hard, from a distance, with only memoranda before him, for an administrator to be alive to the fact that the ways of suburban New Jersey are alien to the customs of the coast of eastern Maine. And yet the fact that the ancestors of these people brought dissimilar customs from their homelands, that they have earned their living in different manners, that the climates in which they live are not the same—this is all deeply important when a national program is brought to the men and women in

cities and villages and farms for application, when their daily lives are visibly affected. When those differences in customs are not comprehended, statutes seem irrelevant or harsh. They destroy confidence, and disturb rather than promote people's welfare.

Centralization at the national capital or within a business undertaking always glorifies the importance of pieces of paper. This dims the sense of reality. As men and organizations acquire a preoccupation with papers they become less understanding, less perceptive of the reality of those matters with which they should be dealing: particular human problems, particular human beings, actual things in a real America—highways, wheat, barges, drought, floods, backyards, blast furnaces. The reason why there is and always has been so much bureaucratic spirit, such organizational intrigue, so much pathologic personal ambition, so many burning jealousies and vendettas in a capital city (any capital city, not only Washington), is no mystery. The facts with which a highly centralized institution deals tend to be the men and women of that institution itself, and their ideas and ambitions. To maintain perspective and human understanding in the atmosphere of centralization is a task that many able and conscientious people have found well-nigh impossible.

Making decisions from papers has a dehumanizing effect. Much of man's inhumanity to man is explained by it. Almost all great observers of mankind have noted it. In *War and Peace* Tolstoy makes it particularly clear. Pierre Bezukhov is standing a captive before one of Napoleon's generals, Marshal Davout.

"At the first glance, when Davout had only raised his head from *the papers where human affairs and lives were indicated by numbers*, Pierre was merely a circumstance, and Davout could have shot him without burdening his conscience with an evil deed, but now he saw in him a human being . . ." To see each citizen thus as a "human being" is easy at the grass roots. That is where more of the functions of our federal government should be exercised.

The permanence of democracy indeed demands this. For the cumulative effect of overcentralization of administration in a national capital is greatly to reduce the effectiveness of government. It is serious enough in itself when, because of remoteness and ignorance of local conditions or the slowness of their operation, laws and programs fail of their purposes. We are threatened, however, with an even more disastrous sequence, the loss of the people's confidence, the very foundation of democratic government. Confidence does not flourish in a "government continually at a distance and out of sight," to use the language of Alexander Hamilton, himself a constant advocate of strong central authority. On the other hand, said Hamilton, "the more the operations of the national authority are intermingled in the ordinary exercise of government, the more the citizens are accustomed to meet with it in the common occurrences of their political life, the more it is familiarized to their sight and to their feelings, the further it enters into those objects which touch the most sensible chords and put into motion the most active springs of the human heart, the greater will be the probability that it will conciliate the respect and attachment of the community."

When "the respect and attachment of the community" give place to uneasiness, fears develop that the granting of further powers may be abused. Ridicule of the capriciousness of some government officials takes the place of pride. Democracy cannot thrive long in an atmosphere of scorn or fear. One of two things ultimately happens: either distrustful citizens, their fears often capitalized upon by selfish men, refuse to yield to the national government the powers which it should have in the common interest; or an arrogant central government imposes its will by force. In either case the substance of democracy has perished.

We face a dilemma; there is no reason to conceal its proportions. I do not minimize the complexities and difficulties it presents. We need a strong central government. This is plain to everyone who sees the changed nature of our modern world. But I have deep apprehension for the future unless we learn how many of those central powers can be decentralized in their administration.

Every important administrative decision need not be made in Washington. We must rid ourselves of the notion that a new staff, with every member paid out of the federal treasury, has to administer every detail of each new federal law or regulation. We who believe devoutly in the democratic process should be the first to urge the use of methods that will keep the administration of national functions from becoming so concentrated at the national capital, so distant from the everyday life of ordinary people, as to wither and deaden the average citizen's sense of participation and partnership in government affairs. *For in this citizen participation lies the vitality of a democracy.*

Federal functions can be decentralized in their administration. But it requires a completely changed point of view on the part of citizens and their representatives. For this business of central-

ization is not wholly the fault of government administrators. Statutes are rarely designed to provide an opportunity for ingenuity in the development of new techniques in administration. Only infrequently do you find a new law which in its terms recognizes the hazards of overcentralization.

Our recent history shows that many public men and editorial writers prefer the privilege of berating administrators as "bureaucrats" to suggesting and supporting ways through which the vices of bureaucracy would have less opportunity to develop. Congress has usually taken the easy course, when new laws are passed, of piling upon the shoulders of an already weary (but rarely unwilling) official the responsibility for supervising a whole new field of federal activity. He has been given a fresh corps of assistants perhaps, but upon his judgment decisions of great detail ultimately rest.

This country is too big for such a pyramiding of responsibilities. In the general atmosphere of bigness, men continue to come about the same size. There is a limit to the energy and wisdom of the best; the ancient lust for power for its own sake burns in the worst.

In the case of TVA, Congress did enact a statute which permitted a decentralized administration. Had not Congress created that opportunity, the TVA could not have developed its administration at the grass roots. An area of manageable proportions—the watershed of a river as its base—was the unit of administration. Decisions could be made and responsibility taken at a point that was close to the problems themselves. That is the test of decentralization.

It is not decentralization to open regional offices or branches in each state, if decisions have to be made in Washington and the officers in the field prove to be merely errand boys. Genuine decentralization means an entirely different point of view in the selecting and training of personnel. It means an emigration of talent to the grass roots. But if the important task, the real responsibilities, are kept at the center, men of stature will not go to the "field."

Neither is it decentralization when bureaus or departments are moved out of crowded Washington. It may be necessary and entirely wise—but it is not decentralization. You do not get decentralization as we know it in the TVA unless you meet two tests:

First, do the men in the field have the power of decision?

Second, are the people, their private and their local public institutions, actively participating in the enterprise?

There is generous lip service to decentralization on every hand. But little will be done about it unless there is real understanding of what it means, and an urgent and never ceasing demand from citizens.

When methods such as those the TVA has used are proposed, the chief objection usually made is that local communities, state agencies, or the field officers of federal agencies cannot be trusted to carry out national policies. Usually the reason is dressed up in more tactful language, but, however disguised, it is the doctrine of the elite nevertheless. The burden of proving that the men who at the time are federal officials in Washington are the only ones competent to administer the laws enacted by Congress certainly lies upon those who advance that reason. Actually such statements often prove the desperate hazards of centralization to the health of a democracy, for they exhibit, in the minds of those who put them forward, a low esteem or affectionate contempt for the abilities of anyone outside the capital city, or else a slavish concern for the existing rituals of bureaucracy.

There are of course many instances where the facts appear to support the claim that good administration of national concerns cannot be obtained through the co-operation of local agencies. Local politics, ineptitude, lack of interest and experience in public matters and in administration, brazen partisanship, even corruption—all these stand in the way. I am sure these hazards exist. I am sure, for we have encountered most of them in this valley. But what are the alternatives? Fewer citizens participating in governmental administration. Less and less local community responsibility. More federal employees in the field armed with papers to be filled out and sent to Washington for "processing," because only there is "good administration" possible. The progressive atrophy of citizen interest. An ever wider gulf between local communities and national government, between citizens and their vital public concerns. Such are the alternatives.

The often flabby muscles of community and individual responsibility will never be invigorated unless the muscles are given work to do. They grow strong by use; there is no other way. Although it is true that decentralization at times is ineffective because of the quality of local officials or field officers, the virtues, by comparison, of what can be done in central headquarters are somewhat illusory. For, without the co-operation of citizens (an admittedly difficult goal) and of institutions familiar to them, no detailed and far-reaching economic or social policy and no democratic planning can be made effective. Surely

there can be little doubt about the truth of this statement, as I write these words, in our second year at war. The daily experience of the average citizen confirms it unanswerably.

The shortcomings of highly centralized administration of national policies are not due simply to the stupidity or wrongheadedness of particular individuals. Naming a scapegoat whenever a mess is uncovered, a favorite editorial and lay custom, is of little help; it usually misses the mark. We need perspective about such things, lest we foolishly take out our anger and frustration for ineptitudes upon this man and that, this party or that, instead of turning our attention where it usually belongs, *viz.*, upon the limitations and dangers of centralization.

These evils are inherent in the overcentralized administration of huge enterprise because it ignores the nature of man. . . .

Out of my experience in this valley I am as acutely aware as anyone could be of the difficulties of securing the active participation of citizens at the grass roots. I know "what a task" (using the words of de Tocqueville) it is "to persuade men to busy themselves about their own affairs." But our experience here has in it more of encouragement than of despair. For in this valley, in almost every village and town and city, in every rural community, there has proved to be a rich reservoir of citizen talent for public service. The notion that brains, resourcefulness, and capacity for management are a limited commodity in America—and this it is that is behind most of the skepticism about decentralization—is a myth that is disproved in almost every chapter and page of the story of the development of this valley.

The fact that TVA was not remote but close at hand has been the most effective way to dissipate the considerable initial suspicion of this enterprise and secure from citizens of every point of view the existing wide measure of warm co-operation. In the case of the power program of the TVA, for example, if TVA were not in the region and of it, if it could not make decisions until Washington, hundreds of miles away, had "processed" the papers and reached a conclusion, only a few of these valley communities, in my opinion, would have signed a contract with the TVA for power supply. Remote control from Washington would not have seemed greatly to be preferred to remote control from a holding company office in New York. And if TVA had not in turn decentralized its own operations the plan would work badly. TVA's division and area managers and other field officials are not merely office boys with imposing titles but no standing or authority. They are selected, trained, given broad responsibility and discretion, and compensated accordingly.

The decentralized administration of federal functions is no infallible panacea. Of course mistakes are made at the grass roots too. But even the mistakes are useful, for they are close at hand where the reasons behind them can be seen and understood. The wise decisions, the successes (and there are many such), are a source of pride and satisfaction to the whole community. If, as I strongly believe, power must be diffused, if it is vital that citizens participate in the programs of their government, if it is important that confidence in our federal government be maintained, then decentralization is essential.

I speak of decentralization as a problem for the United States of America. But the poison of overcentralization is not a threat to us here alone. Decentralized administration is one form of antidote that is effective the world over, for it rests upon human impulses that are universal. Centralization is a threat to the human spirit everywhere, and its control is a concern of all men who love freedom.

BANKING AND PUBLIC FINANCE

ROOSEVELT'S FIRST INAUGURAL had pledged reform of the banking system, a promise fulfilled in August, 1935, when the President signed the Banking Act of that year. This provided for increased government control of the Federal Reserve System: the President was not only to appoint all the members of its Board of Governors—who were to approve the person chosen to be president of each Federal Reserve Bank—but the Board of Governors was to control the Open Market Committee, which had power over the expansion and contraction of bank credits. The Board of Governors was also given the right to raise the reserve requirements of member banks to double the existing maximums, a measure which could prevent the additional currency authorized by acts of Congress from inflating the economy. In addition, the act allowed reserve banks to make loans to their members on time or demand

notes of four months' maturity and national banks were given the right to make loans on real estate, which allowed competition with state banks that had such power. But national banks were forbidden to participate in the underwriting of security issues. At the 1935 meeting of the American Bankers' Association, Marriner S. Eccles (1890–), one of the governors of the Federal Reserve Board and soon to become chairman of the renamed Board of Governors of the Federal Reserve System, explained the purposes of the new law and urged the banking community to give its cooperation.

Government intervention in the nation's financial activities has been necessary to save the country from its "state of disastrous contraction." The RFC has helped the nation's banks. The Home Owners' Loan Corporation had relieved both banks and the harassed homeowner, thus benefiting creditors as well as debtors. The Federal Farm Mortgage Corporation has prevented the collapse of the farm mortgage market by providing funds, through the issue of government bonds, to be loaned to Federal Land Banks in return for their own mortgage-backed bonds. The services of these agencies and of the relief program have been worth their cost despite the unbalancing of the budget, Eccles argues. For taxes and government debt are not to be considered as mathematical absolutes but in relation to national income. Hence, while a deficit may not be desirable, it is not necessarily destructive. In the present situation, bankers must be ready to extend credit in the form their communities require rather than according to the precepts of liquidity. Eccles then turns from a defense of the administration's policy of what may be called financial "relief" to a defense of government intervention to prevent deflation. When such tendencies appear, government should not decrease spending, for that promotes further deflation, the collapse of confidence, and depression.

Four years after Eccles had appealed to American bankers for cooperation with the administration's financial policy, he addressed a special meeting of the Harvard Business School Alumni. By 1939, the country had experienced the recession of 1937–38. The recovery initiated by heavy public spending collapsed when that spending slackened. Thus, there still remains the problem: "How Are We to Put Idle Men, Money and Machines to Work?" Though money is available, capital outlay lags and full employment is not achieved. Business leaders insist that taxes and government regulation of the securities market are responsible for the inadequate flow of capital into new enterprise. As a banker and businessman, Eccles declares that a negative reorientation of policy would have small effect upon the economy as a whole. Of all taxes deterrent to business, those bearing on consumption are most damaging since they fall upon the lower income groups which spend rather than save an increase in their income. Tax revision should be in a direction that would tend to stimulate consumer buying power and give an impetus to production. In their own interest, businessmen should prefer providing tax revenue themselves in order that consumption may be increased.

Government expenditure and investment does not become a dangerous policy until it competes with private industry for men and materials, says Eccles. It is not regulation but unwillingness to assume risk that is the great current hindrance to the expansion of investment. Once again, the frontier theory (and Hansen's) serves political argument to explain the slackening of America's industrial growth and to justify a program of redistributing income through taxation. Since we are built almost to capacity and since we have become a creditor nation, we must look to an enlargement of the domestic market. To that end, Eccles suggests a revision of the social security program to furnish adequate pensions now rather than merely to drain present income to provide for the next generation. He urges control of monopolistic practices by capital and labor, a policy which demands a unified labor

leadership and an abandonment of feather-bedding restrictions. In addition to measures to increase consumption, government should invest in useful enterprises upon which private capital cannot venture because of the long delay of return, though ultimately such enterprises will pay out.

A good part of this theory of the need for a "compensatory" fiscal policy is rejected by John H. Williams (1887–), professor of economics at Harvard and vice president of the New York Federal Reserve Bank, in his article *Deficit Spending* (1941). Deficit spending, Williams points out, is the sequel, in the nineteen thirties, to the previous decades' emphasis on central banking policy as a means of regulating the economy. The central bank theory rested on the assumption that the quantity of money controlled the interest rate, which determined investment which, in turn, controlled the business cycle. When in the early nineteen thirties it became evident that low interest rates did not necessarily lead to investment, the Keynes suggestion of "pump-priming" became popular in government circles and deficit financing was seen as a means of making the easy-money policy effective. In 1936–37, deficit financing was introduced as a positive factor compensating for the gradual change taking place in a maturing economy.

While Williams is not convinced of the "mature economy" thesis, he does note that France and the United States were almost the only nations failing to surpass the level of output of the nineteen twenties—and France certainly had a mature economy. It is in his conception of economic progress that Williams is most interesting, however. Income, not employment, is the goal of that progress. Hence, underemployment does not mean depression but technological advance; superior technological methods increase the productivity of labor and lead to a greater volume of goods although making an increasing number of workers superfluous. Yet possible loss of buying power through the operation of this tendency will not sap the economy since that is supported not by consumption but by investment; and this last occurs as a result of faith in the prospect of profit, not because of direct fulfillment of human needs.

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Two Addresses

BY MARRINER C. ECCLES

1. The Future of Banking

. . . Most of my life has been spent in the field of banking and business and until I unexpectedly went to Washington, less than two years ago, I had never occupied a public position. I, therefore, can talk to you and approach the questions which I am sure we are all deeply interested in, only as a practical business man and banker.

I am reminded in meeting with you today of the contrast between the conditions under which we are now meeting and the conditions under which this same meeting was held three years ago. . . .

What is the reason for this change? It is not a result of accident; it is not a result of letting nature take its course. For three years nature was permitted to take its course in an effort to revive confidence. Little legislation that was disturbing to business was passed. No Banking Act of 1935 was pending to make bankers hesitate to make loans.

But a condition was reached, even as early as the spring of 1932, when Government intervention became unavoidable, not because the Government wanted to intervene, but because the entire financial and credit structure was in a state of disastrous contraction. The Reconstruction Finance Corporation was organized to support the crumbling structure.

The Government had financed the grain and cotton stabilization corporations in order to help agriculture.

The Home Loan bank system was organized in

order to help the urban mortgage situation. But the scale of intervention was entirely inadequate and the forces of deflation had been so much underestimated that a complete collapse resulted in the following spring.

No one objected to an unbalanced budget in order to bolster up the banking, the insurance, the railroads, and the credit structure generally.

Is it consistent or possible to think that Government could intervene in the field of private credit through the banking, insurance, and other private structures and at the same time refuse to intervene in order to stop the foreclosure of farm mortgages, which reached an appalling figure, to stop the foreclosure of home mortgages, which reached a figure as high as 35,000 in one month?

Is it possible to justify the use of Federal credit resulting in an unbalanced budget in the fields referred to, and at the same time permit 12,000,000 men who wanted work to go unemployed?

Business claims the liberty of employing and discharging men when their services cannot be used profitably, and that is its right. But what about the liberty of the man under the conditions that we were confronted with in 1932 and 1933? If a Government is justified in incurring an indebtedness of $25,000,000,000 to protect its citizens against the encroachment of a foreign enemy in times of war, is not a Government justified in using its credit for the purpose of taking care of those people who found themselves in a position of destitution because of the failure of private industry to give them employment?

The Reconstruction Finance Corporation put a foundation under the banking structure. The Emergency Banking Act passed at the time of the bank holiday permitted the Reserve System to loan not only to national and member banks but to state nonmember banks against any sound asset. When that was announced by the President of the United States over the radio, the people of the country who had withdrawn their deposits in the form of currency and who had attempted to transfer it out of the country stopped that practice, which was totally destructive to the entire credit and banking fabric.

When the people were told that the Reserve System could issue Federal Reserve bank notes against mortgages, against collateral loans and against other good assets held by the banks, without regard to gold backing, without regard to eligible paper backing, without regard to Government bond backing, they brought back into the banks during the next year $2,000,000,000 of currency which they had taken out.

The Reconstruction Finance Corporation has rehabilitated the capital structure of banks to the extent of approximately $1,000,000,000 and it has loaned over $800,000,000 to the receivers of closed banks so as to prevent the forced liquidation of assets and to give to depositors immediately available funds, so as to relieve them and to enable them to put that money into circulation.

The Home Owners' Loan Corporation was established for the purpose of relieving home owners in distress and up to the present time has loaned approximately $3,000,000,000. The work of that institution is nearly completed. The distressed mortgage is a thing of the past. Real estate values have been stabilized and are advancing. Rents have been on an increase for two years and doubling up is lessening. New home construction is increasing and the Home Owners' Loan Corporation will be through with the work it has done, with more than a billion dollars of unused authorization to its credit.

It not only served as a debtor relief but also served equally as a creditor relief. The mortgages held by the savings banks, the insurance companies and the commercial banks, which they were unable and unwilling to carry, were taken over and funded over a longer period at reduced rates by the Home Owners' Corporation.

The Federal Farm Mortgage Corporation was organized and $2,000,000,000 of bonds were provided fully guaranteed by the Government, these funds to be loaned to Federal land banks in exchange for the bonds of these banks, backed in turn by mortgages and to be issued as proceeds of mortgage loans by the Land Bank Commissioner.

The Federal land banks are institutions going back about twenty years. In 1932 they were unable to sell their bonds on the market. These same bonds are now selling at a premium and a substantial amount of them have been refunded into issues bearing lower interest rates. When it was impossible to sell them, the Government agency set up for the purpose took those bonds and issued bonds guaranteed by the Government.

That has stopped the collapse of the farm mortgage market, until today I hear that there are more farms being sold than are being foreclosed upon.

These three great creditor agencies have largely done their work. No one is more anxious than the Federal Government to have the private credit agencies take over the load.

The Federal Housing Administration Act was passed for the purpose of attempting to induce the private credit agencies of this country to make loans for construction purposes on insured mortgages and for modernization. Not one dollar of Government funds goes into those loans. The Federal Government was attempting to create a mechanism by which to attract private funds into

the field of credit, and get the Government out.

The Reconstruction Finance Corporation is collecting far more than it is lending. It has loaned about $5,000,000,000 and has collected more than one-half of the total amount of the loans.

In the field of relief, which we so often refer to as "waste," we have the thousands of miles of public roads, we have the excellent work done in our CCC camps, we have repaired and rebuilt schools, water systems and sewer systems. Truly not all self-liquidating projects. It is possible for the Government to spend money for social purposes, and it should not always judge or gauge its expenditure by whether or not it is a self-liquidating project.

The problem of private profit and self-liquidation belongs to the field of private business and not to the Federal Government.

Now let us see if the results as enumerated are worth the cost of intervention, which resulted in an unbalanced budget. I would like to remind you that we had an unbalanced budget as early as the fiscal year ending in 1931 and that the deficit for the fiscal year ending June 30, 1933, exceeded $3,000,000,000, that the Government's interest-bearing debt increased from $20,584,000,000 in February, 1933, to $28,432,000,000 in September of 1935, an increase of $7,848,000,000.

Deduct the assets, including cash on hand, the gold profit in the Stabilization Fund, the Government's proprietary interest in organizations such as the RFC, and you have a net increase in the Government debt of about $3,000,000,000. But let us take the larger figure for the purpose of comparison. Let us take the amount of the gross deficit.

Should we be alarmed over that situation? Should some of the increases which I have referred to—such as the $20,000,000,000 increase in the quoted value of listed stock without taking into account an increase of from $15,000,000,000 to $20,000,000,000 in the national income in one year—give us any cause for concern about even the amount of the gross deficit? Does it mean that we are putting a great burden upon posterity?

If you will recall, during the ten years from 1920 to 1930, while the Government debt which had been $26,000,000,000 incurred almost entirely in a period of two short years, was decreased by about $10,000,000,000, this country at the same time added $100,000,000,000 or more to its new wealth in the form of increased productive facilities and we purchased $10,000,000,000 of foreign security issues and reduced the Federal income taxes during that period four different times. If we could do it then, why think that we cannot do it again? . . .

Have we not yet learned that what we cannot afford is not the burden of carrying the national debt, but is an army of idle men and unutilized facilities? For the cost of what we lost in the last few years as a result of permitting deflation to run far on its course before checking the devastation—the loss in national wealth and the national income from idleness of millions of men and innumerable productive facilities—would run into more than $150,000,000,000. The entire amount of our present national debt is less than four months of the normal national income. . . .

I do not want to give you men the impression that a budgetary deficit is desirable. I only want to point out to you that it is not the serious thing it has been magnified to be. The serious thing is the loss of $40,000,000,000 in our annual national income, which the capitalistic system, when left to itself without adequate Government intervention, brought about by the year 1932.

We shall not continue to have a budgetary deficit when the conditions that cause the deficit, the reduction in national income, are corrected. As national income increases Federal income increases, and as Federal income increases the need for Government spending decreases, because of an increase in activity, employment, prices, etc.

And that is the trend today. From more than $4,000,000,000 in 1929 the Federal income dropped down at the bottom of the depression to $2,000,000,000, and is now back at more than $4,000,000,000.

The deficit which reached a peak in the fiscal year ending June, 1934, was approximately $4,000,000,000, and it is estimated that in 1936 it will be $3,280,000,000.

I should like to sum up what I think all this means to bankers. I feel that you have every reason in the world to have confidence that the system of private industry and the system of private banking has a future if you will but profit by the lessons of the past, if you will but do your part and step out into the field and extend not the type of credit that you may prefer to extend, 90 days' or 6 months' credit, but the kind of credit that there is a demand for in your communities. You don't hesitate to buy in the market finance company paper and intermediate credit bank paper at as low as one per cent. Why don't you short-circuit the funds and lend directly to those in the community that are going outside and paying from 5 to 12 per cent for credit from the very institutions which you are financing at one per cent?

Why don't you, when you are the custodians of $10,000,000,000 of the savings funds of the people, invest those funds in the field where such

funds should be invested? They are the same type of funds as the funds that the insurance companies, the mutual savings banks, and the savings and loan associations are investing, and if you are going to hold those funds and pay interest on them, you must put those funds in the long-term mortgage market, in the long-term bond market, and you can do it with every security.

You are loaning on a basis of values that is not inflated, and if you want the Government and the Government agencies to get out, then it is up to you to get in.

If you prefer to buy Government bonds and bonds guaranteed by the Government, to act as your cushion, then you cannot complain about the Federal Government being a competitor with you in the field.

If the Government had chosen or desired to destroy private banking, it needed to do nothing at all. In 1932, private banking had completely destroyed itself. But the Federal Government believed in private banking, and in private initiative, and in private business, and for that reason it saved the banking system for the bankers to do a better job in the future than many had done in the past.

It seems to me, in summing up the review I have made, that an analysis of the nature, the cost and the timing of Government intervention, and of the recovery factors brings out conclusions which are inescapable. First, in order to keep our productive processes going and expanding, we must maintain a reasonable balance between our productive facilities and consumer buying power. Failing this, money becomes idle because it cannot find profitable outlet for investment, unemployment develops because buying power is insufficient to absorb the output of industry.

This results in the commencement of a period of deflation. It causes a contraction of debt, a reduction in spending, and, if the cycle is allowed to continue, this inevitably results, because the cycle is self-accelerating, in general prostration and bankruptcy.

It is as necessary to intervene to correct a situation of this sort as it is to prevent a cycle of inflation.

There will be one thousand bankers saying that inflation should be avoided and that public authorities, public officials in the Reserve System and in Government should stop inflation, whereas there is possibly a handful who feel, or at least have felt, that deflation should not be allowed to go its normal and natural course, that the natural law should be interfered with.

I cannot reconcile these two positions. I see no greater evils in inflation than in deflation. In fact, I think of the two, deflation is far more destructive to bankers.

It is necessary to intervene to correct a situation of this sort, just as necessary as it is to prevent a cycle of inflation. Only Government, which is all of us, is capable of acting collectively to offset and neutralize the effect of the down-swing and by its spending and the use of its credit effect the necessary distribution that private capital, left to the individual, has failed to effect. Action taken promptly by Government to stop the process of deflation in its inception will tend to keep up the national income and correct maldistribution and inequitable distribution, and at an infinitesimal cost compared with the cost to society as a whole if deflation is allowed to run its natural and destructive course. For Government to decrease its spending at the outset of a deflationary period, when everyone else is doing likewise, only accelerates the forces of deflation and does not create confidence. In such a situation capital does not flow into productive facilities because they are already excessive in relation to consumer buying power. . . .

We have seen from the experience of the past three years that it is possible, through adequate Government intervention, to turn the tide of deflation to what has been termed "reflation." Is it not reasonable to conclude that had intervention come sooner and on a more adequate scale, it would have taken far less spending and lending by the Federal Government to arrest and reverse the process of deflation?

The bankers above all have been the beneficiaries of the Government's intervention. The Government alone could and did replenish the supply of deposits when individual borrowers were lacking and when banks had no other profitable outlet for their funds than the investment in Government securities. Banks bought Government securities, not because of compulsion, but because they had no other avenue of profitable investment.

The Federal Reserve System has purchased no Government bonds, has given no support to the Government bond market for two years, and the present amount of outstanding credit by the Federal Reserve System is less than it was in the spring of 1933. The excess reserves of the banks, which make money cheap, which induce them to purchase securities and make loans at present low interest levels, are a result very largely of gold imports.

Banks bought Government bonds, not because of compulsion, but because they had no other avenue for profitable investment. Government bonds, far from being a burden, have been a Godsend. . . .

I do not see how any thoughtful man can challenge the conclusion that in order to preserve our capitalistic system, our institutions and traditions, we must use such governmental means of economic and monetary management as we now possess in achieving a greater stability in the economic order and in creating conditions under which our man power and productive capacity may be utilized to a maximum in the production and the distribution of wealth.

The Federal Reserve System, with its authority over margin requirements and—under the Banking Act of 1935—its clarified responsibility for reserve requirements, discount rates and open-market operations, is in a better position than ever before to exert its influence toward the attainment of a greater degree of stability and the avoidance of inflationary and deflationary extremes.

These powers, if exercised harmoniously, in conjunction with those possessed by the Federal Government through the Treasury—and to attempt to exercise the divided powers separately or conflictingly would be fatal—can, I am confident, contribute much to the achievement of a stable, orderly economic progress, free from violent extremes, and conducive to a maximum productivity and distribution. This involves neither a regimented nor a restricted economic order. It calls for Government intervention only to the extent that the exercise of governmental authority affecting monetary and budgetary factors may be a stabilizing and corrective influence in an individualistic, capitalistic system when it, left entirely to itself, generates distortions, lack of balance and cyclic extremes.

The Government must be the compensatory agency in this economy; it must unbalance its budget during deflation and create surpluses in periods of great business activity.

In the light of experience and in the interest of the public in general and of private banking in particular, it seems to me to be conclusively demonstrated that business and banking leadership should lend its full sympathy and support to the kind and extent of Government intervention that I have outlined. Only then, it seems to me, can private banking be assured of safe and profitable operation in the future and be freed from the uncertainties due to recurrent evils of booms and depressions.

2. How Are We to Put Idle Men, Money and Machines to Work?

There is one thing on which I am sure we can all agree, namely, that our economic condition, with the existing large volume of idle men, idle money, and idle plant equipment, is unsatisfactory and that a material improvement must be brought about to vindicate and preserve our economic system.

Secondly, I think that we will also all agree that we have abundant material resources and money, so that they are not a limiting factor on further recovery. In fact, the supply of funds is not only more than adequate under present conditions for an expansion of output, but our monetary and credit system has sufficient elasticity so that we can always create the funds necessary to expand production within the limits of our man power.

We may say then, I think, that our greatest domestic problem—the major task before the nation—is to find productive employment for all of our people capable of working who are now unable to find employment. The magnitude of the problem is measured by the number of these people. Allowing for a certain unavoidable minimum of unemployment due to seasonal and other special reasons, there are more than eight million men and women for whom work should be found.

That it is not a scarcity of money that prevents a more satisfactory economic condition from developing is clear from the fact that our supply of money represented by demand deposits and currency today is larger by several billions of dollars and interest rates are lower than ever before in our history. In addition, the excess reserves of member banks at the present time exceed $4 billions, a heretofore undreamed of surplus. These reserves could become the basis for a further expansion of our money supply to the extent of more than $25 billions.

While some of the smaller business concerns may be having difficulty in obtaining funds that they would like to use, this is not true in general either for the great majority of the smaller companies or for the larger corporations of the country whose balance sheets show that they are the owners of billions of dollars of bank deposits. The great corporations of the country could, generally speaking, considerably expand employment and production without going to the capital markets to raise a dollar of new funds and without borrowing from the banks. Our problem is not to create more funds, but to find productive use for those already in existence.

The extent to which this is a problem is indicated by a comparison with the period of the twenties. From 1923 to 1929, outlays of the type that absorb capital funds averaged more than $15 billions a year. Allowing for the increase in population as well as for technological advances that have taken place in the last decade, it would ap-

pear that comparable outlays today to insure reasonably full employment would have to be more than $18 billions a year, provided there is no material change in the present division of the national income between consumption and new investment. According to our past experience, we must have a continuous annual flow of all of our savings accumulations into all kinds of capital outlays. This has required a continuous growth of new investment in new undertakings both public and private.

For the year 1938, according to our estimates, the total of private capital outlays was about $8 billions. It reached a low point of $2½ billions in 1932, but by 1935 it had recovered to approximately $10 billions, and by 1937 to about $11 billions. In addition, in 1937 there was an increase in business inventories of some $4 billions. While the increased inventory accumulation had the same effect on employment as a similar amount of capital outlays would have had, the effect was only temporary because, as we saw, new demand in the next year was met out of inventories, production was retarded, and employment declined.

The question today is whether we can restore the volume of private capital outlays to a point sufficient to absorb unemployment as has been the case in the past, and if not, what alternatives confront us. In other words, in order to maintain a flow of funds into new capital outlays in sufficient volume to provide full employment, we must either have new private capital outlays of approximately $18 billions, or we must have a combination of private and public outlays of this amount, or we must increase the proportion of our national income that goes into consumption by an amount equal to the reduction in private and public investment. Unless we follow one of these courses, we face a decline in production and employment and hence in national income and our standard of living. . . .

We can all agree, I think, upon the simple economic truth that to maintain and increase our standard of living and our national income, and hence to reduce unemployment, we must have a continuous, increasing flow of money throughout our economy from consumers to producers and back again from producers to consumers. This means that we cannot withdraw and hold idle large sums of our annual income because to do so obviously diminishes the flow. Thus, the amounts that we put aside in our savings accounts, insurance policies, in retained profits, in depreciation, obsolescence and depletion reserves, and in all other forms of storing up for the future, must be put back into the income stream, if not by the savers themselves through investments, then by borrowers who will put the money to use. When this process does not take place, deflation is inevitable and the Government as a coordinator, through its fiscal, monetary and other policies, must take measures to restore and maintain the income stream.

We hear it said continually that there is an absence of risk or venture capital willing to go into new enterprise. I do not think there is an absence of the capital, but there undoubtedly is an unwillingness to assume the risk. I think that this may be due in part, but only in relatively small part, to the fact that the entrepreneur who is in the upper income brackets feels that he is as well off buying tax-exempt bonds as he would be in venturing his money in some new business. I am convinced, however, that if markets existed for additional products of existing enterprise, or if new markets were in sight calling for additions to existing enterprise, or if new inventions were at hand for which a demand would probably develop, there would be no lack of risk capital willing to undertake the necessary investment. . . .

I have no basis for hoping that the special incentives or the removal of the deterrents indicated by business interests would be sufficient to put our economic machine in high gear. Historically, new investment has always led the way in our economic progress. The forward thrusts of new capital adventuring have not been steady but sporadic, and in the interludes, periods of relative stagnation, men have become discouraged and concluded that the era of expansion was over.

The turn of the century marked a change in the character of our economic development. The western frontier had largely disappeared, and there were no more free lands to be had for the asking. America was beginning to come of age. I am sure that a gradual readjustment to the new conditions would have been necessary and would have occurred beginning at that time had our normal development not been abruptly interrupted by the World War which resulted in an unlimited demand for certain kinds of goods and which left us with an aftermath of dislocations.

Incidentally, the war resulted in a suspension of private building which led to an enormous volume of housing activity in the twenties. This volume of building, together with the phenomenal expansion of the automobile industry, constituted the principal basis of our prosperity in that decade. Additional factors were a large volume of foreign loans, which in many cases subsequently defaulted, but in the meantime created foreign purchasing power for our products. There was also a large expansion in the utility industry, and in many

collateral activities producing the material for building, for automobiles and for electric equipment. There was also a large growth of consumer credit and a siphoning of funds into luxury consumption through profits made in security speculation. Also, states and municipalities, which provided an outlet for investment funds of nearly a billion dollars a year in the twenties have been reducing their debts since 1932 and thus increasing the supply of funds that need to be invested. . . .

We hear it said that there is a great backlog of deferred investment in industry, but as a matter of fact, there has been a considerable volume of investment in recent years, and industry has been putting on the market many new products. The actual volume of private investment for plant and equipment reached a level in 1937 as high as in 1923 and 1924, and within a billion dollars a year of the 1925–28 average. In 1937, according to the estimates of our research division, plant and equipment expenditures on new durable producers' goods aggregated $7.4 billions. Of this, $3 billions was in manufacturing and mining—an amount greater than like expenditures in 1927 or 1928. Where there was the greatest difference—the largest decline of investment in 1937 as compared with the 1926–28 average—was, first, in commercial buildings, and, second, in the utility field and, to a lesser degree, in railroads. Expenditures on commercial buildings averaged $1,188,000,000 for the years 1926 to 1928, both inclusive. The figure was only $367,000,000 in 1937. We have only to recall the speculation in this field in the late twenties to answer the question of whether there is an outlet here today for funds comparable to the twenties.

As we look about us today, the most promising fields in which to put idle men, money and materials to work are housing, railroads, and to a lesser degree, the utilities. These are the fields in which the depression struck deepest and the unemployment was greatest. I believe we could do much in all three fields.

Some plan for rehabilitating the railroad industry and for making it feasible and profitable for the railroads to purchase equipment which they are sure to need in the future should be developed.

As to housing, a great deal has been done in the past few years to get private capital moving more actively into this field, particularly through Federal Housing Administration insured mortgages. Housing is the one factor that registered an upward turn on the business chart when all other indices were diving downward in 1938. I think it would be possible to lower interest rates from the present level another one-half or possibly 1 per cent, and thus tap another strata of potential home owners.

Residential building was at an unprecedentedly low level through the early and middle thirties. This was primarily a result of depression, but the lower rate of population growth also reduced the accumulating pressure on housing accommodation as compared with earlier periods. I think we have by now built up a backlog of housing demand which, if we can keep national income at a fairly high level, should give us an increasing volume of building activity for several years to come. As we look ahead, however, we can no longer count on the pressure of rapidly increasing population to surmount all obstacles in the building field. Increasingly the problem will become one of tapping lower strata of demand through the provision of lower cost housing.

As for the utilities, I think they ought by now to feel fairly well assured that they have a future under private ownership and need not be deterred from needed expansion of their plant.

But when we add up all the amounts we could possible hope to expend under the most favorable conditions in these three fields of private housing, railroads and electric power, we come out with a figure of between $5 and $6 billions, which is small in relation to the magnitude of funds that have to find outlets for investment under the present distribution of the national income if we are to achieve full employment.

With the slower tempo of our national growth, and being now a creditor and not a debtor nation in need of capital, we must devise means to enlarge the domestic market for our products. To do this we need a better balanced distribution of our national income, which in turn involves the steady channeling of additional funds into the hands of those at the lower end of our income scale. . . .

Perhaps the most important single step that can be taken now to increase the purchasing power of consumers and thus to diminish the need for investment outlets is to revamp our present old-age insurance program. Under this plan by the end of this year it is estimated that there will have been collected from payroll taxes $1.7 billions, this burden falling almost entirely on consumers, whereas, practically nothing has been paid out in benefits. It is so constructed as to collect taxes from young men now with a view to taking care of them when they become old. This system needs to be so revised as to provide a reasonable pension to old people immediately, regardless of whether or not they have contributed to the fund. This would not only meet a great social need and popular de-

mand, but would also be a sound economic measure at this stage in our economic life.

The present plan is operating as a gigantic saving device at a time when there is a surfeit of saving; it is decreasing consumption when we have inadequate consumer buying power. It would be appropriate to a capital-poor country where a curtailment of consumption was necessary in order to divert more resources into the making of plant and equipment. It has no possible economic justification, however, in our capital-rich, consumption-poor economy.

Payroll taxes in England amount only to 60 per cent of old-age pensions, the remainder being financed out of general revenues. Through the stimulation of consumption, England has been able to sustain a high level of activity with less capital expenditures than formerly.

In order to provide for the maximum possible elasticity in our economy so that there will be no obstructions to the income flow, we must find means of controlling monopolistic and other uneconomic practices both by industry and by labor.

The policies of many of our large industries to meet a decline in demand by radical curtailment of output, while leaving prices at high levels, result in accentuating depressions. On the other hand, rapid price advances at the first indications of the return of a lively demand tend to bring an upswing in business to an end. These policies tend to create maladjustment between industrial and agricultural prices, which in turn have a seriously disturbing effect on the whole economy. Better planning of production and price policies by business concerns with reference to more than the short-time garnering of profits would do much to reduce violent fluctuations in business.

I want to take this occasion to explain more fully my position on labor. My sympathies are all with the real interests of labor. I fully realize the importance both from the social and the economic point of view of having continuous employment of labor at as high a real wage as the national income will permit. In fact, full employment and adequate consumer buying power (and surely that includes labor) is the central objective toward which our national economic policy should be directed. But the first requirement for a satisfactory labor policy is responsible and not conflicting leadership of labor itself. Furthermore, wage advances must in general correspond to and be paid out of increased productivity of labor. It is obvious from an economic point of view that there is no other continuous source out of which increased labor costs can be met. Monopolistic advantages and practices of certain minority labor groups, such as the organized building trades, are at times an important disrupting influence in our economy. In the spring of 1937, for example, an important factor in arresting the economic recovery which was under way was the shortage of certain kinds of skilled labor and excessive labor and material costs in the construction industry.

Premature advances in hourly or daily wage rates and excessive reductions in hours of labor of minority labor groups, having strategic trading advantages derived largely from restrictive practices in regard to union membership and the training of apprentices, are not in the lasting interests of labor. They result in a decrease in employment and a loss of annual income which is far more important than hourly wage rates. Furthermore, they fall heavily in increased costs on the great mass of industrial labor that is not so favorably situated and on agricultural workers. Most important of all, however, is that these labor-cost maladjustments tend to arrest economic recovery with grave consequences to all the elements of the population. Rational, far-sighted labor policies and responsible labor leadership are necessary in the interests of labor itself and of continuous economic advance for the nation as a whole.

I have given much thought and study to the analysis which I have presented to you. I come out with the firm conviction that, in order to keep up the flow of income and prevent the progress of our economy from being arrested, we must adopt—in addition to the various measures and proposals that I have outlined—a program, on the one hand, of increasing consumption relative to the national income through the development of old-age pensions, health and other social services and, on the other hand, of undertaking increased public investment in useful enterprises of a kind that private capital will not undertake, but which, nevertheless, can be in large part self-liquidating. Such public investment could take the form of toll roads, tunnels and bridges; rural rehabilitation and farm tenancy loans, especially in the south, to make our farmers independent and self-supporting; an extension of the rural electrification program; hospitals and sanitation facilities to reduce the appalling economic waste of sickness and to make our people healthier and more efficient; and expansion of public housing for the lowest income groups. Such a program need not involve budgetary deficits; it is entirely consistent with a balanced budget. In fact, I can see no prospect for balancing the budget in the near future except by following this general course of action which would increase national income and consequently increase tax revenues. . . .

I recognize that you may not accept as conclusive either my statistics or my analysis. It may be, of course, that an epoch-making discovery is just around the corner that will result in a greatly increased flow of investment. It may even be that private capital will suddenly and spontaneously begin to flow in greater volume than it ever has before. I feel strongly, however, that even if that should happen, the only safe course for the nation to pursue is, while hoping for the best, to plan for the worst. There is nothing to be lost by this course of action. If it should develop that our labor is practically all employed, our income restored, and Government is competing with private business for labor, then the Government could and should promptly curtail its investment operations. There will be nothing lost. Whereas, if we drift and hope for miracles to pull us out of the present condition, then it will become increasingly difficult to handle the problem.

What is at stake is nothing less than our economic and political system. We must not take chances on delaying action too long. We need a concrete and flexible program that can be put into effect promptly. Let us hope for the best, but for the sake of preserving our liberty and our freedom of economic enterprise, let us be prepared to grapple with the worst.

Deficit Spending

BY JOHN H. WILLIAMS

. . . IN THE EARLY PART of the first Roosevelt Administration, there was little or no evidence that public spending was to be a major policy of recovery. It is true that some early steps to cut expenditures were soon reversed, but the main emphasis for recovery in 1933 was on monetary policy and especially on raising the price of gold, with the repeatedly announced goal of raising commodity prices to the 1926 level. There was also the quite different approach through NRA, and much discussion of the contradictory character of these two major attacks upon the problem. The NRA policies had, in my opinion, an important bearing upon deficit spending. By raising costs they impaired its effects. They were related also in the sense that it was intended that the code activities under General Johnson should be accompanied by a public works program under Mr. Ickes, which gave rise to subsequent comment that the chief mistake may have been in not reversing their roles. But in this early public works program, which as it turned out amounted to very little, there seems to have been little or no emphasis on *deficit* spending as the means to recovery, and federal deficits were defended mainly on humanitarian grounds as necessary to provide temporary relief for unemployment until recovery could be achieved by other means.

Some date the beginnings of a conscious policy from Keynes's visit to this country in June, 1934, when he said that if we spent two hundred millions a month we would go back to the bottom of the depression, a net monthly deficit of three hundred millions would hold us even, and one of four hundred would bring full recovery. Keynes gave this formula, the precision of which I have always admired, to various meetings of economists and doubtless also to the Administration. There was no indication, however, then or for several years later that the government was deliberately pursuing a deficit policy as a major means to recovery, and the President's budget messages continued to promise an early balancing of the budget.

The fact seems to be that as interest in other recovery measures waned, while the deficits continued to be large, there was a growing disposition on the part of many persons, within and without the Administration, to regard the deficits themselves as the major cause of the recovery. The first evidence that the Administration, as distinguished from a large and influential group within it, had adopted this view came during the new depression of 1937–38, when, after a protracted internal debate, a new spending program was hastily improvised in the spring of 1938, and passed by Congress. A similar program put before Congress in the spring of 1939 was defeated. Since then we have had the appropriations for the defense program, which has raised other issues than that of spending as a recovery measure and has had the support of the whole community regardless of attitude toward the earlier deficits. . . .

. . . During the twenties the emphasis was on central bank policy. The central bank, by its control of reserves, could control the quantity of money, which controlled the interest rate, which controlled investment, which controlled the business cycle. There was a shift of emphasis from the short-time rate to the long-time rate. There was a growing interest in the "natural rate," which equates saving and investment. There was a shift of emphasis from the rediscount rate to open-

market operations. There was the controversy over federal reserve policy with relation to the stock market boom, with much discussion as to whether, by failing to raise rates soon enough and high enough, the Board had allowed the security boom to run to heights from which a general depression was bound to follow, or whether by attempting to pursue a restrictive policy toward security speculation, which was not its legitimate concern, it had through high money rates and contraction of the money supply brought on the very depression which it feared.

When the depression came, as already stated, the emphasis continued to be on central bank policy and the interest rate, with much insistence that open-market operations were not large enough, not begun soon enough, or not continued long enough. When these operations resulted in excess reserves, and the latter were greatly increased after 1933 by gold inflow, there was at first considerable interest in how much excess reserves it would take to break down the bankers' liquidity complex; but as the excess reserves continued to pile up and attain huge dimensions and interest rates sank to levels never previously reached, it was generally recognized that, whatever may have been the defects of central bank policy, the main trouble lay in the inadequacy of the interest rate, by itself to control investment and the cycle. . . .

II

Deficit spending is the logical sequel to central bank policy, and it was entirely logical that its first phase should be pump-priming, for the latter does not differ in purpose or in general analysis of the problem from central bank policy, but seeks to make more effective the methods of attack. The financing of deficits represents a further step toward making an easy money policy effective, for when combined with pressure through reserves, it affords an avenue for expansion of bank assets and deposits accompanied by a declining yield on government securities. In addition to the new money thus created, government borrowing provides an outlet for old deposits which might otherwise remain idle rather than assume the risks of investment in depression. Theoretically, the fall of the rate on government securities should spread to other investments and loans, attracting both bank and nonbank investors, until after a transition phase of refunding of old securities, the new issues market is affected and a stream of new investment set in motion. To some extent, this process has been discernible but when we review our experience as a whole, it is disappointing. The combination of deficit financing and excess reserve has accentuated the cleavage between interest rates too low and too high, and though there was some increase in activity in the market for new capital prior to the downturn of 1937, the entire period since 1933 has been characterized by a much smaller volume of new security issues than in the twenties, or in earlier periods on a comparable basis.

The main contribution, however, which pump-priming sought to make toward overcoming the inadequacy of central bank policy, was in the deficit spending itself rather than the method of its financing. If lowering the interest rate would not, by itself, sufficiently induce investment, this object could be achieved through the creation of new consumer income by means of deficits. Investment in producers goods would thus be induced through increased community spending on consumers goods. There was a presumption, at least at first, that under this combined stimulus of income creation and low interest rates, the deficits would not need to be large or long continued. The budget would have a diamond-shaped pattern corresponding to the business cycle, with deficits in depression and surpluses in boom periods both tapering from the turning points.

The main emphasis was laid on the multiplied and cumulative effects of the spending. It was in connection with pump-priming that the multiplier concept first came into our discussions. . . .

Perhaps the simplest version of the multiplier and the one most useful for the pump-priming analysis is that which considers the effects of an initial or primary deficit spending as a sequence through time, the secondary effects being the sum of the successive consumer incomes during the period, each multiplied by the percentage of income received which is spent, which in turn depends upon the percentage of leakage through saving. In the pump-priming theory, the combined primary and secondary spendings, with which alone the multiplier is concerned, would lead to tertiary spending, which is the induced investment; the investment would then have its own multiplied effect, and so on cumulatively, with deficits tapering, until the opposite phase of the cycle is reached and surpluses appear.

I do not think it is profitable to take time to discuss pump-priming in detail. Our own experience has not in general conformed to the expectations of its advocates as to the amount of induced investment or as to budget tapering, and certainly not to the expectation that there would presently be budget surpluses. I am inclined to side with those who hold that this kind of spending, in the form of relief to consumers, does not reach down

far enough into the productive process to provide effective leverage, but soon dissipates its force in consumer transfers without much effect on investment, save possibly on short-run investment. . . .

The vogue of pump-priming was prior to 1936–37. In 1936, Keynes, who had done most to stimulate the pump-priming discussion with the pamphlet on *The Means to Prosperity* (1933) and his disciple Kahn's article in the *Economic Journal* (1931) on the multiplier, published his *General Theory*, which dealt not with the business cycle but with a secular tendency toward underemployment. In this country, the recovery gave way in 1937 to a new depression at a time when the budget for a brief interval came into balance not through reduction of expenditures but owing partly to the mistaken policy of building a social security reserve, and even more to the fact that with rising national income the federal revenue substantially increased. The conviction grew that we were faced with something more than cyclical recovery from a major depression. The emphasis shifted from pump-priming to the need for deficits as compensation for long-run structural changes in the economy; deficits which might be permanent or at any rate should be continued so long as underemployment prevailed. . . .

III

Since 1936, as I have said, the emphasis in fiscal theory has been not on stimulating private investment, temporarily depressed, but on compensating for the lack of it. This is a fundamental change. It rests on the view that private capitalism is no longer capable of providing full employment. Two explanations of this defect have been offered: the oversaving theory and the underinvestment theory. It is important to recognize that these are two distinct explanations, though they can be combined and to a large extent have been in recent discussions.

Keynes's oversaving theory is derived from "psychological laws" operating in the institutional framework of modern private capitalism. Most important is the "propensity to consume," according to which as income rises a part of the increase is saved. Keynes believes an increasing fraction is saved, but this he says is not part of the law. To prevent reduction of income, output and employment, investment must increase equally with saving, but investment is limited by the "marginal efficiency of capital" (diminishing productivity as interpreted by "expectations"); and the cost of investment cannot be reduced sufficiently by lowering the rate of interest because at some minimum rate we prefer liquid funds to the risk of investment. Net idle saving forces income and employment down to some level at which, through the decline of saving, investment and saving become equal. To get more income and employment we must have deficit spending to offset idle saving or must tax away and spend the idle saving. This fiscal policy should be accompanied by monetary action to reduce interest rates and overcome, so far as possible, the effects of "liquidity preference."

This theory could never account for a depression without bringing in cumulative cyclical factors, which are not a part of the analysis. It merely tells us that as we progress to higher income levels, progress becomes harder; according to the "law" it is only as income rises that more is saved. What I have to say about employment, which is Keynes's chief criterion of progress, applies also to the underinvestment theory and will be given later.

Keynes's statement about the "propensity to consume" is a plausible hypothesis. Its application is limited by the fact that it cannot be applied to producers' saving, or at any rate to corporate saving which is an important part of the whole. It is further complicated by the fact that there is an opposite tendency in the business cycle, which Keynes had previously described as an excess of investment over saving in the boom and an excess of saving over investment in the depression. Though this is an inaccurate picture of the cycle, which I prefer to describe as a cycle of spending and not-spending, it illustrates the complication. Of course, both statements could be true, with the cyclical tendency riding on the surface of the more fundamental one.

In discussions of fiscal policy Keynes's hypothesis about saving has been too readily accepted as law or as fact. No one, so far as I know, has yet given us estimates of saving of a kind that really bear upon this argument. . . . As Keynes pointed out in his book, real saving and investment must be equal. What is needed for his thesis is a study of *monetary* saving and investment. I appreciate the difficulty, perhaps the impossibility, of making such a study but until we have it we continue to deal with a hypothesis. . . .

The underinvestment thesis has a better factual foundation than the oversaving theory, and presents a stronger case for long-run deficit spending. It is based on the view that as the capitalistic economy progresses it reaches a stage at which the opportunities for investment decline. This "mature economy" thesis is too familiar to require elaboration. It uses, in general, the same analytical

apparatus as the oversaving theory, starting from the same truism that investment plus consumption equal income. It has the same criterion of prosperity: full employment. But the decline of opportunities for investment is not in the other theory, and the tendency toward oversaving is not necessarily a part of this one, though, as I have said, in much of the recent discussion the two have been combined.

The reasons why as an economy matures investment opportunities decline have been presented with great force and much statistical support. Some of them carry considerable conviction, particularly as regards their bearing on employment. This is especially true of the technological changes from capital-using to capital-saving devices. I am less convinced by the reference to declining rate of growth of population, not only because it relates to individuals rather than to families, but because it unduly subordinates, I believe, the possibilities of changes in quality (standard of living). The argument about the passing of the frontier seems to me not one of the strongest, largely because I am influenced by my earlier studies of international trade, which showed that trade was greatest not with the frontier countries but between the industrially developed countries having higher living standards and greater purchasing power. But as regards employment there may be no easy substitute for free land.

One of the most difficult and necessary tasks is to compare our experience of the past decade with the earlier great depressions, sifting out the elements of similarity and difference. Economic progress in the nineteenth century was very great but it came by jerks with recurring periods of unsettlement and stagnation. Each period had its special characteristics but economic maturity was not one of them. In how far is this latest experience ascribable to this new circumstance? Has this last experience been essentially different from the others or merely on a larger scale? The most difficult matter to square with the mature economy explanation is what happened in the rest of the world. This country stood virtually alone, except for France, in its failure to surpass substantially the level of output of the twenties. This difference cannot be accounted for by military expenditures except in a few cases, notably Germany and Japan. In England military expenditures were not an important influence before 1938 and in many other countries such expenditures were not a major factor in recovery. Yet many of them, especially England, are more mature than this country. . . .

I entirely agree that as an economy matures investment tends to decline relative to total income, but what to conclude from this fact is less clear. As production has become more capitalistic, replacement has become the preponderant part of gross capital formation. The TNEC testimony showing that a number of our large corporations have relied increasingly upon depreciation allowances for capital improvement was corroborative of this trend. Kuznets has shown that in this country in 1919–35 replacement constituted 68 per cent (1929 prices) and new investment 32 per cent of the yearly average volume of gross capital formation. Leaving out public agencies his figures were 81 per cent replacement and 19 per cent net capital formation. Colin Clark has shown that the yearly additions to British home capital have been declining since 1875. His figures of net investment as a percentage of national income show a decline from 12.2 per cent in 1907 to 8.1 per cent in 1924, 7.2 per cent in 1929, and 6.9 per cent in 1935. . . .

Economic progress involves an increase of income not only in relation to investment but also in relation to employment. In much of the monetary analysis of the past twenty years, income, output, and employment have been treated as counterparts which respond equally to changes in saving and investment. This may have had some advantages for short-run analysis, though it has led to much mechanical thinking in which employment has been regarded as an economic end in itself regardless of its character. It is the logical result of the savings-investment analysis that full employment should be the goal of fiscal policy. But the goal of economic progress is income, and the two do not have a fixed relation.

The rise of income relative to employment through the advance of technology has been one of the great economic phenomena of our times. It raises questions which thus far monetary and fiscal theory have refused to face. But we are making some progress. We have begun to stop identifying underemployment with depression. Now that under the stimulus of the defense program and British war buying national income has risen substantially above any previous level while some seven million workers are still unemployed, it is beginning to seem inappropriate to describe a state of less than full employment as "stagnation," even in a technical monetary sense. But the lesson drawn is that we must spend more rather than less, for full employment remains the goal of fiscal policy.

Last summer Keynes published in the *New Republic* a most significant article in which he referred to the failure of deficit spending to produce "anything like full employment in the United States." He ascribed this failure to the "gigantic

powers of production" of a modern industrial economy. To quote:

"Coupled with institutional factors which tend to encourage accumulation and retard the growth of consumption when incomes increase, this means that an unprecedented output has to be reached before a state of full employment can be approached. The full industrial and agricultural capacity of the United States may well exceed 1929 by as much as, or even more than, 1929 exceeded 1914. . . . The conclusion is that at all recent times investment (and public) expenditure has been on a scale which was hopelessly inadequate to the problem. . . . It appears to be politically impossible for a capitalistic democracy to organize expenditure on the scale necessary to make the grand experiment which would prove my case . . . except in war conditions."

On similar reasoning, a number of American economists have recently said that our mistake in the thirties was in having annual deficits of some three billion dollars; they should have been ten to fifteen billions. My own view is that such a "grand experiment," besides being politically impossible in a democracy in peacetime and besides, incidentally, probably destroying democracy if it were tried, would not "prove the case," because the case as stated misconceives the nature of the problem. We have been accustomed to think of technological change as a temporary phenomenon temporarily displacing labor but through falling costs and widening market creating full employment once the state of technology has settled down. But the great question raised by modern experience is whether technology does settle down. Technological advance was very great during the twenties, but Keynes says his public spending experiment failed because technological progress was much greater in the thirties. How ironical it would be if the ten-billions-a-year experiment should fail during the forties for the same reason.

I suggest that one important feature of an advanced capitalistic economy is that human labor becomes progressively the less efficient instrument of production compared with the alternative methods, which as I have already said, depend progressively less upon new investment in the quantitative sense and more upon new technique. The economic function of the producer is not to employ labor but to produce goods. At every step he faces anew the question whether to use more men or better machines and processes. Even in the present defense program the purpose will be to get maximum output rather than full employment. Even in England today there is complaint of unemployment. Even if we should attain full employment during a great burst of activity when we are taxing our economic capacity to the utmost and in our urgency cannot confine ourselves to the most efficient methods, it would not be permanent, even if that level of output should continue.

In monetary and fiscal theory unemployment is taken as a sign of waste. If it is pointed out that we can and in fact have increased income to new high levels without removing unemployment, the answer invariably given is that with full employment we would have still higher income. Keynes in the article I have quoted said: "The wealth producing capacity which is now going to waste in the United States is so far beyond our powers of measurement that it is useless to hazard a figure for it." But if we look at the problem as one in economics rather than simple arithmetic this is not so clear. There are always unutilized resources, material as well as human. Indeed, if this were the only question, why stop with the resources at hand? Why not count our unborn children among the unemployed? There is no other criterion of usability than the question does it pay in all the given circumstances. The question of waste of resources through unemployment can only be put to the test by increasing economically desirable output and if in such a test we find ourselves resorting to other means of production than human labor, the problem, whatever else it may be, is not one of economic waste.

I am not suggesting that unemployment is not our most serious human problem or that it is not the duty of government to provide for unemployment. The implications of what I have said for fiscal policy I will consider later.

A third important feature of a mature or advanced economy has been the growth of durable consumers goods. Terborgh has presented some striking figures for the United States from 1919 to 1939. Of total expenditures (private and public) on all durable goods, producers and consumers, of 380 billion dollars, consumers durable goods amounted to 196 billions. The largest category—household goods—amounted to 91.3 billions or 24 per cent of the total. Residential housing amounted to 52.4 billions or 13.8 per cent. Manufacturing and mining expenditures for plant and equipment were 13.3 per cent, government expenditures for construction 12.1 per cent, passenger automobiles 11.8 per cent, and electric power and railroad expenditures combined 5.6 per cent.

Among the modern institutional changes which monetary and fiscal theorists have cited as preventing full employment have been those "retard-

ing the growth of consumption," to quote again from Keynes's article. This is the other side of the oversavings thesis, but I have never seen the evidence to support it. I agree that a less unequal distribution of income would probably increase consumption, and that this is a legitimate concern of fiscal policy. I agree also that heavy taxes on consumption are undesirable when national income is depressed, or when there is less than full utilization of *economic* capacity (which is not to be confused with employment), though we cannot assume that there are not limits to taxes on higher and middle incomes beyond which not only consumption but economically desirable saving and investment will be impaired.

But to favor such policies is not to concede that in fact institutional changes have retarded the growth of consumption relative to income. It is doubtful whether in the more advanced countries the inequality of incomes has become greater during the last fifty years. Colin Clark in his latest book [1] presents evidence that consumption has been rising relative to income in Great Britain, Germany, and the United States. Certainly the growth of durable consumers goods, as Terborgh's figures indicate, has been one of the great phenomena of our times. It is a chief reason why I believe we have made too much of investment both in cyclical and in secular analysis. It bears also on the question of "outlets for saving," for while these are consumers goods their financing bears the same kind of relation to accumulated saving, and to credit from the banking system, as producers capital goods. Their bearing upon the multiplier I discussed in an earlier section. Since the first world war durable consumers goods have played a major role in economic fluctuations; nor is it possible to prove either from the data or by general reasoning that this type of expenditure has been the "passive" factor.

V

My purpose in this paper has not been to present a program for fiscal policy but to give some of my reflections about its theoretical foundations. I must, however, in concluding try to point out briefly some of the implications of what I have said for such a program.

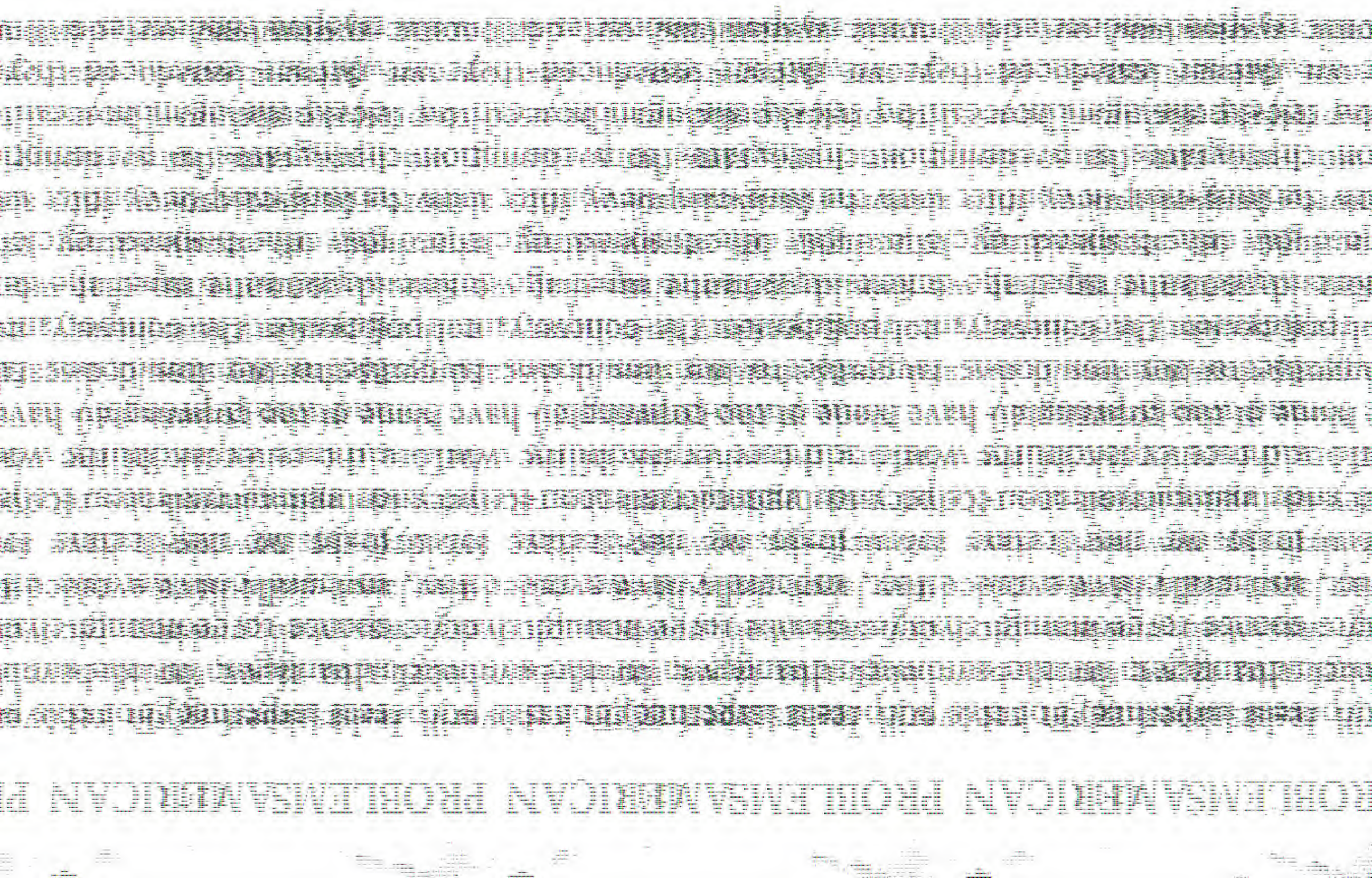
The case for permanent deficits as compensation for oversaving and underinvestment tendencies seems to me unproved and based in considerable measure upon misconceptions of the nature and effects of the secular economic changes which are observable. I believe, further, and I think it follows from the logic, that if deficit spending were permanently carried on as compensation for tendencies toward contraction which would otherwise exist in the economy, and especially if we should take as our goal full employment, it would either eventually break down or would entirely transform our democratic, private capitalistic system; for its cost would become a constantly increasing fraction of the national income. I cannot stop to consider the banking and monetary aspects of such a policy, which are recognized by all students to be difficult. In so far as it is desirable to modify the flow of income it can be better done by taxation than by deficit spending. But the economic effects of different kinds of taxes constitute an intricate and difficult field which is even more in the pioneer stage today than deficit spending. We cannot proceed very fast or very far on a general formula about saving and consumption; and if we are seriously concerned about tendencies toward decline of investment, we must have due regard for the effects of tax measures upon risky investment. As a preliminary to a good tax structure, moreover, we must some day have a thorough overhauling of state and local in relation to federal taxation.

What I said earlier about the relation of income to employment points to the need for a permanent relief organization within a balanced budget. It is closely related also to old age security. One way to meet the problem may be by shortening the average work-span of the employed. Other questions are the flexibility of wages and the mobility of labor and enterprise. Another approach is through education for employment to help solve the problem of labor shortages existing side by side with unemployment. But I must leave this whole problem to others who know more about it. I can see no easy solution. Certainly I do not see it through deficit spending. As stated earlier it would clarify our thinking about fiscal policy to drop the criterion of full employment and think in terms of income.

It does not follow from what I have said about permanent deficits that governments should do no long-run borrowing for peacetime purposes. It has been desirable in the past, in this and many other countries, to do some of our investing collectively; and a moderate public works program for productive purposes, adjusted as much as possible to business cycle changes, is not inconsistent with the views I have expressed. There is a vast difference, both conceptually and quantitatively, between a policy of public betterment, based on what a country needs and can afford, and that of spending to get long-run full employment.

In the business cycle deficit spending can be of

[1] *The Conditions of Economic Progress.*



THE UNITED STATES AND THE WORLD

FOREIGN TRADE

THE FOREIGN TRADE of the United States, which had increased from more than two billions at the turn of the century to more than eight billions in 1929, dropped sharply with the depression and did not revive to any marked degree thereafter. This decline in foreign trade helped prolong the depression, for upon the 10 percent of the country's total production which was exported depended the welfare of such industries as tobacco, cotton, copper, fruit, and light machinery. Those last went to the less developed areas of the world, thus changing the pattern of American trade interests. Once, agricultural staples had paid for necessary imports of European manufactured goods, now exports of American manufactures were paying for industrial raw materials—nickel, tin, manganese, bauxite, woodpulp, crude rubber—from Asia and from the other countries of the Western Hemisphere.

The contraction of foreign trade not only injured many important American industries but also deepened the world depression. Consequently, the Roosevelt Administration declared a revival of world trade to be one of its objectives. A World Economic Conference assembled in 1933 only to break up because the United States refused to engage in a joint program of currency stabilization and to allow its agriculture to meet the chances of the world market. Yet, at the same time, Secretary of State Hull was trying to break down tariff barriers and bars to capital expansion, first by the elimination of hostile influences within the administration and then by the reciprocal trade program which is discussed in Raymond L. Buell's (1896–1946) pamphlet, *The Hull Trade Program and the American System* (New York, 1938).

The Hull program, Buell declares, is an attempt to strike at the dangers to both peace and prosperity by a gradual reduction of trade barriers that have reached new heights since Versailles, partly as a result of United States policy. The Trade Agreements Act of 1934 is an effort to redeem that error by removing the drafting of tariffs from the arena of legislative log-rolling. On the other hand, it recognizes reality and does not seek to revive the "free trade" of the mid-nineteenth century. Instead, the law of 1934, which Congress continued to renew for three-year periods, authorizes the President to negotiate agreements with foreign countries by which tariff rates may be reduced by as much as 50 percent, in return for whatever concessions could be obtained. The consent of Congress was not necessary for the conclusion of such agreements, thus clearing away a rock upon which previous reciprocity programs had foundered. About 17 reciprocal trade agreements were concluded between 1934 and 1938, many of them with agricultural countries producing noncompetitive goods; although arrangements were completed with both France and Czechoslovakia and negotiations were begun with Great Britain as well. The outbreak of World War II of course put an end to further negotiations with the great industrial nations of the world.

The Buell pamphlet appeared in the Foreign Policy Association World Affairs Pamphlet Series (New York, 1938).

The Hull Trade Program and the American System

BY RAYMOND L. BUELL

V. The Trade Agreements Program

In the light of the anti-deflation course adopted when the Roosevelt Administration went into office, unilateral reduction of the tariff by Congress was out of the picture. In view of the huge surpluses of commodities accumulated in other parts of the world, and the existence of foreign export controls which intensified the danger of dumping, it was feared that a unilateral lowering of the tariff would only increase the disruption of the American economic system without any assurance of immediate world recovery. Largely as a result of Secretary Hull's influence, however, Congress enacted in June 1934 the Reciprocal Tariff Act. This Act authorized the President to negotiate, over a three-year period, trade agreements with foreign countries altering our tariffs by not more than 50%, provided he did not put on or take off from the free list any item, and provided also that the benefits of such reductions be extended to all countries not discriminating against the United States. The Act was renewed by Congress in 1937 for three more years. . . .

Importance of the Export Market. The immediate purpose of the Hull trade policy is to restore the export market for American industry and agriculture. America possesses great natural advantages in mass-production industry and in agriculture, and before the depression these advantages were exploited on the international market. The loss of this market created our most serious maladjustments at home, although less than 10% of our national production normally enters foreign trade. If this 10% could be segregated, it might be sacrificed without disastrous consequences to the country as a whole. But it enters into the fabric of nearly every enterprise and every section of the country. The destruction of imports would prevent the manufacture of our automobiles, radios, or telephones, while the loss of the export market would in many cases convert profits into losses. When exports slump, the general economy declines. A farmer in the Middle West or the South cannot buy the output of American factories if his income has vanished. On the other hand, the cotton farmer in the South, having lost his export market, inevitably turns to corn and dairying, at the expense of the farmer of the Middle West.

Thus the loss of the export market cannot be isolated or localized; it poisons the entire system. Present maladjustments cannot be removed by drastic deflation, because the cost is too great and the system too inflexible. They can only be removed by increased government intervention in private enterprise, or by a general revival of the world market. The Hull trade program does not assume that the American economy can or should return to the 1929 pattern. It realizes that adjustments of both an economic and social nature must continually be made; but it believes that by removing the rigidities in our present system due to excessive protectionism, the shock of the changes may be cushioned and the principle of competitive enterprise maintained.

Nor is it a forlorn hope to expect to maintain foreign markets in an age when machinery can be established in countries where labor costs are cheaper than in the United States. Even if foreign countries eventually install American machinery, they will suffer from three handicaps: first, their workers will probably not be as adept in operating the machinery as are skilled American mechanics —large American concerns with branch factories abroad testify to the relative inefficiency of the foreign worker. Second, foreign countries cannot offer nearly as large a market as the United States, and consequently the transplanted industry will not be able to achieve the low unit costs essential for success. Finally, the research resources of American industries, if exploited with initiative and vigor, will constantly open up new processes which can be profitably exploited in this country long before they can be copied abroad. For these reasons, together with the fact that—despite the rise of machinery—countries still retain differences in resources and aptitudes, the increase in machine-production is not likely to cause any decline in international trade, other things being equal. The nature of such trade may change; but it will probably take the form of the exchange of highly specialized manufactures having greater value rather than trade in bulky raw materials.

In order to sell goods abroad, it is necessary for America to buy. This means that if we are to ask foreign countries to reduce their trade barriers to the advantage of our goods, and if we expect them to pay their debts, we must lower our tariffs. The advantages of adopting a moderate tariff policy in contrast to excessive protectionism are evident not only from the point of view of the export in-

terests, but from the standard of the nation's general economy. . . .

The Tariff and American Labor. Admittedly there are marked wage differences in various parts of the world and it is possible that in certain cases a lower wage gives a foreigner a competitive advantage over an American producer. But this argument is weakened by the fact that usually it is advanced most vociferously by employers who show solicitude for labor only when a tariff issue arises.

If the truth is to be arrived at, it is important to ascertain not the difference in wage rates between different countries, but the difference in wage costs. The United States could not be the world's largest exporter, competing with cheap labor all over the world, if differences in wage rates were decisive. The reason we can compete, and the reason wages in America are high, is not due to the protective tariff but to our superior efficiency. An American coal-miner produces five tons of coal a day, in comparison with one ton produced by a French miner. An American textile worker produces 400 yards of woolen cloth a week, in comparison with 212 in England. It is also significant that in 36 typical export industries wages are higher than in 36 typical protected industries. The reason is superior efficiency.

A policy of excessive protectionism means that foreigners cannot buy more of our exports and that America cannot fully develop the branches of industry and agriculture in which it has an advantage. It means that our capital and labor are diverted, in certain cases, into comparatively unproductive enterprise. There may be cases where foreign workers are so poorly paid that, despite the superior efficiency of American industry, foreign goods can take the market away from American concerns. But such cases should be ascertained by investigation. When it is established that for this reason an American industry cannot exist, the further question should be asked whether the industry and the number of workers employed are important enough to justify a tax burden on the whole country. For it must be remembered that by its nature a tariff can only help a minority at the expense of the majority. . . .

The Tariff and Vested Interests. This leads us to the fact that the withdrawal of tariff protection may injure capital and labor employed in protected industry. These vested interests cannot accept the argument that the country would be better off as a result of their sacrifice; whatever the general benefit, few individuals like to commit suicide. In theory, those thrown out of work by tariff reductions would be re-absorbed in more productive enterprise; but, in fact, they may remain unemployed for years. Admitting that export trade will increase as a result of tariff reduction, a factory from which protection is withdrawn may find great difficulty in making the changes necessary for the manufacture of a different type of goods; and a Lowell textile worker, displaced by tariff reductions, will not find it easy to go to Detroit, nor will he necessarily have the skill to become an automobile worker.

Admitting the injury caused by such changes, it must be recognized that such readjustments of capital and labor are an inherent part of the capitalist system, wholly apart from the tariff. Indeed, the extent to which tariff reduction may intensify these readjustments can easily be exaggerated. The Czechoslovak agreement, described below, makes possible a small increase in shoe exports to the United States; but the amount is not large enough to close down any American shoe factory. On the other hand this agreement will increase the export of American automobiles, lard and apples to Czechoslovakia and put a considerable number of men back to work on our farms and in our factories. With their increased purchasing power these men will buy more American goods than if they were unemployed. Thus tariff reduction, if properly controlled, helps to build up the home market and bring about a more healthy economy.

Moreover, one reason why Americans have been turning to substitutes for woolen textiles is because of the high duty on wool and woolen textiles. Reduced prices, brought about by a reduction in these duties, should increase the consumption of woolens. The extent to which a reduction in the duty on raw wool would injure the American wool-grower is problematical. The small sheep-raiser certainly would not be injured because he now loses more than he gains from the tariff. In other cases, duty reductions would merely force industries to improve their technological and financial organization, which tends to become inefficient in the absence of foreign competition. Instead of putting whole industries into bankruptcy, tariff reduction would merely injure the inefficient marginal producer. . . .

The use of the tariff is one of the most effective means of restoring a competitive economy. And the shocks caused by the tariff instrument can be lessened in at least one of two ways. The first is to pay compensation to the capital and labor dislocated by tariff until they find employment elsewhere. While to a certain extent this is already being done for workers through social insurance and the PWA, any system of outright subsidy in-

volves grave administrative and political difficulties. The second is to reduce duties very slowly with respect to highly protected industries.

Reductions Achieved. The latter method is being applied by the Hull trade program. Here tariff reductions have been cautiously made only after careful study. Out of about 3,200 tariff commodities, duties have been reduced on only 411 by the Hull trade program during three and one-half years. About half of these rates are lower now than those which prevailed under the 1922 tariff; but only 68 are lower than the duties prescribed by the 1913 tariff. On an average, it would seem that the rates established by the trade agreements continue protection as great as that offered under the 1922 Act. Moreover, 272 of the commodities on which rates have been reduced are non-competitive, since we imported less than $100,000 worth of each in 1936. . . .

In short, while the Hull trade program has made progress, it has reduced duties only moderately and has concentrated on non-competitive imports, leaving three-fourths of the Smoot-Hawley tariff untouched so far. Meanwhile, highly protected industries have been warned not to increase investments. It is possible to regard the Hull program as a continuing process under which, once one set of trade agreements is concluded, the economy may be re-examined with a view to determining what further steps should be taken slowly to curtail heavily protected, inefficient enterprises in favor of the revival of exports. . . .

VI. Achievements

Between 1934 and March 1938 Secretary Hull made trade agreements with 17 different countries, each of which runs for three years. The program started out conservatively by making agreements with tropical or semi-tropical countries, imports from which were already to a large extent on a free basis. Thus agreements were made with Brazil, Haiti, Colombia, Honduras, Nicaragua, Guatemala and El Salvador.

In most of these agreements the United States agreed to maintain existing duties or keep on the free list many imports. For example, in the agreement of February 1935 with Brazil—our second-best South American customer—the United States agreed to keep 91% of the imports from this country on the free list and to reduce duties on 2.5%. Thus we lowered the duty by one-half on manganese ore, Brazil nuts and castor beans. In return, Brazil agreed to reduce duties on 28 tariff items affecting imports coming largely from the United States. These imports include automobiles, various kinds of machinery, fresh fruit and cereal.

Our agreements with Cuba and Canada stand in a special class. Since 1902 the United States had given Cuba a 20% reduction in our ordinary duties; and, following the repeal of the Platt Amendment, we made a new reciprocity agreement in 1934 continuing the same principle of exclusive preference to Cuba. This agreement lowered the sugar duty, subject to the quota system under which the amount of Cuban sugar entering the United States is less than two million tons. It also lowered duties on tobacco, rum and vegetables during the winter season. Cuba, in return, made sweeping reductions in the duty on American lard, wheat flour, potatoes, machinery, automobiles and textiles.

The most important of all agreements made so far is that with Canada, our second largest customer. In the agreement of November 1935 the United States undertook not to impose duties on wood pulp and related products, certain types of lumber, lobsters, certain fruits, nickel and other commodities, which cover about 45% of the total purchases made from Canada in 1929. Moreover, this country reduced duties on 50 tariff items, including certain types of lumber, cheddar cheese, apples, hay, maple sugar, live poultry, horses, halibut, whiskey, leather and mineral products. In addition, tariffs were reduced on limited quotas of imports, such as large cattle, calves, dairy cows, cream and seed potatoes. Imports beyond the specified limits in these categories pay full duty. Altogether, the United States lowered duties on about 60% of the dutiable imports of which Canada was the principal source of supply in 1929. In return, Canada made direct tariff reductions on almost one-third of the dutiable imports from the United States, which included machinery and fresh and canned vegetables; and it extended most-favored-nation treatment to the United States for all its imports, as a result of which duties were lowered on 767 Canadian tariff items.

The real test of the Hull trade program is its ability to conclude arrangements with the industrialized countries of Europe which still consume by far the larger part of the American exports. A signal achievement in this respect was the conclusion of the agreement with France in May 1936. This agreement settled a century-old quarrel over commercial policy, in addition to promoting trade between the two countries. Thus France agreed to increase certain quotas of goods imported from the United States, as well as to reduce duties and give other advantages to us under 4,330 items in its tariff. In particular, France agreed to increase the quotas imported of American timber, metal machinery, radio apparatus, typewriters,

automobiles, fresh apples and pears. The United States, in return, lowered duties on 71 items, such as lace, Roquefort cheese, champagne and other distinctly French products.

The first agreement to arouse the opposition of a major American industry was that signed on March 7, 1938 with Czechoslovakia—the home of the famous Bata shoe. Although the American industry produced more shoes in 1936–1937 than before the depression, many of its representatives fiercely protested any tariff reduction to the benefit of Czechs. The State Department met this situation by lowering the duty on certain types of shoes, but by providing that when imports exceeded 1.25% of domestic production the United States might raise the tariff. During 1937 the United States imported leather shoes amounting to only 4,295,000 pairs—a figure constituting about 1% of the domestic production. Under the new arrangement, Czechoslovakia may increase its exports by about 600,000 pairs. But it is unlikely that this increase will take place in the cheap, cemented shoe, because the duty on this particular type has not been reduced. Thus Czechoslovakia is given increased purchasing power to buy our goods; but the American shoe industry is virtually guaranteed about 99% of the domestic market.

In return, Czechoslovakia agrees to modify its import-permit and exchange control régime to the advantage of American exporters. It also grants tariff benefits to 76.7% of its imports from the United States, which should increase our sales of apples, lard, prunes, automobiles and other products. On the other hand, we grant tariff benefits on 63 items of imports into this country. While the United States receives most-favored-nation treatment from Czechoslovakia, we have agreed that this right shall not apply to efforts at closer economic cooperation among Danubian countries.

The Czech agreement represents the first dent on the complicated trade controls in Central Europe. Nevertheless, although the United States has made agreements with European countries, such as Belgium, the Netherlands, Sweden and Switzerland, it has not yet concluded any agreement with the large industrialized powers, such as Britain, Germany, Italy or Japan—which together took about 32% of American exports in 1929.

In 1937 the foreign trade of the United States showed increases totaling $6,307 million, in comparison with $9,640 million in 1929, and today the United States is the world's largest exporter. Trade agreements now apply to nearly 40% of our foreign trade. What is most significant is that our exports to trade-agreement countries increased 41% during 1937, while exports to countries with which we do not yet have agreements increased only 34%. Nevertheless, important as were our world trade gains during 1937, they cannot necessarily be regarded as permanent. For part of these gains are due to world rearmament as well as to the crop failure in many foreign countries, and the gains are in devalued dollars. The task, therefore, of leveling major trade barriers still remains. . . .

VII. How a Trade Agreement Is Made

Apart from the general opposition to any tariff reduction, there have been two main criticisms directed against the Hull trade program. The first is that the trade agreements are made by unconstitutional and arbitrary "star chamber" procedure.

In the Trade Agreements Act, Congress delegated the power to make agreements to the President, and an agreement enters into effect without being approved by the Senate or Congress. In this respect Congress has delegated legislative power to the President, as it did in the Acts of 1922 and 1930, when it authorized him to reduce tariffs in order to equalize costs of production. The latter grant of power was upheld by the Supreme Court and, particularly in view of a recent decision of the Court upholding the most widespread discretion on the part of the President relative to foreign policy, there is little doubt but that the Supreme Court would uphold the validity of the Trade Agreements Act. It was the necessity of placing such agreements before Congress which prevented the success of the negotiations under the Act of 1897; and Senatorial "courtesy" and log-rolling are still so strong that the Hull program would probably be defeated even if agreements were merely laid on the table of either house for a given period before entering into effect. Congress has delegated the fixing of railroad rates to a commission; the same reasoning justifies the delegation of the tariff power.

In lowering duties under the 1934 Act, the President does not act arbitrarily. The responsibility for negotiating trade agreements rests with the State Department, assisted by a series of interdepartmental committees, containing representatives not only of the State Department but also of the Tariff Commission, the Department of Commerce, the Department of Agriculture and the Treasury Department. The most important is the Trade Agreements Committee, consisting of about 60 sub-committees, some dealing with countries, some with commodities, and some with special

problems. A country committee investigates with great care the exports and imports of the United States with the country concerned, for the purpose of preparing recommendations as to how trade might be improved. Usually several months of study are spent on the question, following which the recommendations of the country committee, assisted by the commodity committee, are reviewed by the Trade Agreements Committee. They are then sent to the Secretary of State and the President for approval. Once we decide what concessions we can make and what we wish in return, negotiations with the foreign government begin. . . .

VIII. Do We Give More Than We Receive?

A second criticism of the Hull trade program relates to most-favored-nation treatment. According to the Trade Agreements Act, any reduction in duties in an agreement shall be extended automatically to all other foreign countries which do not discriminate against the United States. If the United States lowers the duty on steel in a treaty with Belgium, the reduction is automatically extended to the same kind of steel from all other countries. Critics insist that under this system, the United States gives concessions to 50 nations, while receiving concessions from one nation only in return. Consequently, they argue that the trade agreements program will swamp America with imports and that it is "selling the country down the river."

Charles Evans Hughes, who proclaimed the most-favored-nation policy in 1923 when Secretary of State, and Secretary Cordell Hull, who favors the policy today, do not accept such reasoning. Both believe that the United States has far more to gain than to lose from the non-discriminatory principle. For in refraining from erecting discriminating tariffs, the United States is in a position to demand that most-favored-nation treatment be extended to all American exports. For example, following the signature of a most-favored-nation agreement with the United States, Belgium made an agreement with France lowering the duty on French automobiles. As a result of our previous most-favored-nation agreement, Belgium automatically extended the reduction to automobiles coming from the United States. Had the United States followed the principle of exclusive bargaining, it would not have received the benefit of this treaty. To protect the position of American automobile exports in Belgium, it would have had to carry on negotiations anew. Thus, most-favored-nation treatment protects American export trade.

A further danger in abandoning most-favored-nation treatment is that the opposite principle of bilateral bargaining often leads to efforts to balance exports and imports between two countries. And trade cannot be balanced in this way without reducing the total volume of world trade. For example, the United States sells much more to Britain than it buys; but we buy much more from Brazil than we sell. Brazil, on the other hand, buys more from Britain than it sells. Under the system of "triangular trade," Britain pays debts to us by the exchange received from Brazil; and we use this exchange to pay what we owe Brazil. In 1928, 37% of the total foreign trade of the United States was done on a triangular basis. Now this triangular trade might be destroyed if we abandoned the most-favored-nation principle in favor of bilateral exclusive bargaining. . . .

The reduction of tariffs, reviving an orderly and mutually advantageous international trade means a healthy economy, and a rising national income. That increasing imports are a necessary and a desirable part of a rising national income is shown by the fact that in 1929 the United States imported more goods than at any time since 1920. We must choose between bottling ourselves up in a system of nationalistic monopolies in which pressure groups scramble for more and more of less and less, and removing those maladjustments in our national life which are due to excessive protectionism.

The Hull trade program represents an effort to restore a degree of freedom to the world economy and to loosen the fetters chaining private initiative and the investment of capital. This program is not inconsistent with well-considered social reforms, or with government activity to lessen the fluctuations of the business cycle, or to control other aspects of economic life. The program is none the less based on the belief that wealth must be produced before it can be distributed, and that competitive private enterprise is the best means of producing wealth while maintaining principles of democracy. It believes that the trend toward a new world war and depression can be checked only if nations accept the principle of economic interdependence. The program does not prevent the cooperation of the United States with dictatorial economies. But, as far as the United States is concerned, the program is a symbol around which those who believe in free enterprise, democracy and peace can and should rally.

CONTINENTALISM VERSUS INTERNATIONALISM

ALL THROUGH the second half of the nineteen thirties the Administration's concern with domestic problems tended to be diverted; it was impossible to disregard foreign affairs. The peacekeeping devices of the previous decade were disintegrating like so many cobwebs as tension was put on them. The principal nations of the world had all renounced war as an instrument of national policy and, except for the United States and Great Britain, in some degree all of them were in a state of war—psychologically if not physically. First of the webs to snap was the Nine-Power Treaty guaranteeing the integrity of China. Japan invaded Manchuria in 1931 and set up the puppet state of Manchukuo the next year. The other signatories of the Nine-Power Treaty and the Kellogg-Briand Pact deplored the events in Asia; but they would not back the United States's protest with anything more effective than partial refusal to recognize the new state. Next went the obligations of the signatories of the Covenant of the League of Nations with the invasion by Fascist Italy of Ethopia and the breakdown of economic sanctions.

By 1937, the tempo of aggression had quickened. Civil war had broken out in Spain (with Germany and Italy openly intervening on Franco's side) and Japan had landed troops on the China mainland. Hitler had reoccupied and remilitarized the Rhineland; the Anti-Comintern Pact had been signed; and a general conflagration once more threatened to sweep the world. It was in such an atmosphere that President Roosevelt, in his trip across the continent, halted at Chicago and on October 5, 1937, delivered his unexpected and startling "quarantine" speech. Until then, he had used his powers under the Neutrality Acts (see below) in what seemed an inconsistent fashion: he had invoked them to deny arms to Italy in its attack on Ethiopia; he had also invoked them to deny munitions to the legal and recognized government of Spain in its struggle against a rebellion supported by Germans and Italians. And, so far as the United States was concerned, no war existed in China, though the State Department sent notes of protest and the United States concurred in the League Assembly's condemnation of Japanese bombing of open Chinese towns.

In his speech, after noting "the present reign of terror and international lawlessness," the President observed that if the spirit of destruction continued and spread, the Western Hemisphere would be no safer than the Eastern. The time had come for the peace-loving nations to take concerted action against violation of treaty obligations and the dictates of humanity. If international anarchy prevailed, every nation must be drawn into conflict, since not even the protection which the United States had given itself would be effective in a "world of disorder in which confidence and security have broken down." The aggressors must be "quarantined."

The American people saw the advance of fascism uneasily, but the President's address did not alter the conviction of most of them that European affairs were no concern of theirs. Most Americans believed in neutrality. The Nye Committee's revelations and the temper of the depression years had helped write our withdrawal from world affairs into a formal program. In 1934, Congress passed the Johnson Debt Default Act, forbidding the sale in the United States of the securities of governments defaulting in the payment of their obligations to the United States. When Italy attacked Ethiopia in 1935, Congress by joint resolution —the so-called first Neutrality Act—lay an embargo on the export of arms in wartime and empowered the President to prohibit Americans from sailing on belligerents' vessels except at their own risk. In 1936, the second Neutrality Act, also a joint resolution, ordered the President to apply an arms embargo whenever

he found that a state of war existed, and extended the embargo to include loans and securities sales as well as the export of munitions. Finally, in the May before the President's address, a more detailed joint resolution—the third Neutrality Act—prescribed a program designed to keep the United States out of war. Since insistence on our neutral right to trade had helped bring the United States into the Napoleonic conflict and the first World War, we would abandon those claims. Accordingly, the export of arms and ammunition to belligerents was forbidden. Further, belligerents were not to sell securities or solicit contributions in the United States. American ships were not to be armed or to carry implements of war to belligerents, nor were Americans to travel on their vessels. The President was given discretionary authority to stop American ships from transporting any commodities to a belligerent; to prevent the export of any goods until title had been taken by a belligerent (this was the so-called "cash and carry" provision); and to deny the use of our ports as supply bases to belligerent war vessels or foreign submarines and armed merchantmen.

But neutrality was not to work—as the President had anticipated. In 1938 the Munich crisis, instead of improving the European situation, made it more serious. In March, 1939, Hitler seized the rest of Czechoslovakia; less than a week later, Memel was occupied. In April, Mussolini invaded Albania; and in September all of Europe's armies began marching when the Nazis crossed the Polish border. World War II had begun. Another Neutrality Act, in November, 1939, was written. It was somewhat more explicit than the others (although the arms embargo was dropped) and like the others it sought desperately to keep us out of the war by openly abandoning our neutral rights—and particularly the doctrine of the freedom of the seas.

Amid such alarums, Americans debated the role of the United States. Among the most important advocates of a policy of nonintervention was Charles A. Beard (1874–), the dean of American historians, who, in his *A Foreign Policy for America* (New York, 1940), sought to chart the course we were to steer. In his book, Beard examines and dismisses internationalism and extreme isolationism in their turns. Past experience has shown that American meddling in the affairs of Europe and Asia brings neither advantage to us nor peace to the outer world. In the long run, struggle for a share in world trade is not worth the cost, for that trade depends upon the export of capital, and naval and military establishments must be supported to protect investments. The United States would do better to embark upon a policy of "Continentalism," extending our interests over the Western Hemisphere (which can supply all our industrial raw materials) and avoiding entanglement in the schemes of foreign imperialisms. This program will enable the United States to preserve peace and safeguard its own political and civil liberties at home.

At the beginning of 1939, Roosevelt had urged the repeal of the arms embargo only to be countered by Senator Borah's claim that he had positive knowledge there would be no war in the immediate future. Borah was dead by September, 1939. In November, the President finally had his way; but it was not until May, 1940, that the United States began throwing the whole neutrality program overboard. By June, 1940, it had been arranged for the United States to sell surplus war material to replace what the defeated British had left behind at Dunkerque. In September, 1940, shortly after the first peacetime draft had finally become law, the United States concluded the arrangement by which Britain gave her Western Hemisphere naval bases in return for fifty over-age destroyers. By the end of 1940, the United States was as thoroughly in World War II as was possible without actual military participation. The munitions industry was being increased; arms production was growing; the National Guard had been called into federal

service and an army of drafted men was beginning to be trained.

The development of this policy is elucidated and justified in Roosevelt's annual message to Congress on January 6, 1941. Though war has not actually touched this continent, the United States has never stood in greater danger. For never before has any enemy succeeded in abolishing freedom in so many nations in so brief a time. A triumphant dictator might allow the United States a temporary respite, but once he had organized his victor, he must attack; and then the United States must face him without allies.

At this unique and terrible moment, domestic issues must be sunk in the greater issue of meeting the threat from beyond the seas. The United States must demonstrate its readiness to defend itself, to keep war from this hemisphere, but not to acquiesce in a peace dictated by the aggressors. Armament production must be increased, therefore, the army and navy must speed their training. And Congress must provide the funds and accept the need for secrecy which is required to make such a program effective. The United States must become the arsenal of the democracies, providing them with materials which they, in their capacity, will return after the end of hostilities.

And while this nation expects the complete cooperation of all its people in such a program, it will not stop thinking about the causes that plunged the world into war. Congress must maintain the bases of democracy on the broadest footing. For the United States looks forward to a world founded upon four freedoms. Freedom of speech and expression; freedom of religion; freedom from want; and freedom from fear. That is the moral order of democracy which stands against the "new order" of fascism.

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A Foreign Policy for America

BY CHARLES A. BEARD

V. Persistence of Continental Americanism

. . . Twice in American history the governing élite had turned the American nation away from its continental center of gravity into world adventures, ostensibly in a search for relations with the other countries or regions that would yield prosperity for American industry and a flowering of American prestige. First, in 1898; second, in 1917. But each time the main body of the people had resisted the propulsion, had found delusions in the false promises, and had returned to the continental orbit. Imperialism had failed to bring either profits, glory, or security. Internationalism had been wrecked at Versailles—by the struggle for power under the League of Nations, by the revelations of war propaganda, and by other brutal events which could not be erased from the record.

Again and again the fundamental resolve of the country against imperialism and internationalism had been revealed; in provisions for withdrawing from the Philippine area; in the surrender of specious rights to engage in trade where great nations were fighting for their lives; in neutrality acts keeping American ships and travelers out of war zones; in the refusal of Congress to transform Guam into a great naval base; in an evident unwillingness to engage in a major war over the petty commerce of China; and in persistent efforts to overcome, by domestic measures, the crisis in domestic economy, without wholesale resort to artificial devices for dumping American "surpluses" abroad, that is, giving them to foreigners.

After all the illusory adventures in policy based on the Cobden-Bright conception of "free international exchange," the American nation confronted, not a growing freedom of that kind, but a steady increase in the number of countries operating on different principles. At best free international exchange had been merely partial; and the tendencies in that direction had been reversed.

Germany, Italy, Russia, and Japan went over to controlled economies of a totalitarian character. France, Great Britain, and other powers turned in

the direction of management and "regimentation." Even if the United States had labored with might and main to force commerce on these countries and widen the channels of its foreign traffic, it could have made little headway against the apparently irresistible determination of other governments—capitalist, fascist, and communist—to grapple with their problems of living by direct action at home. By sheer necessity, American civilization was turned back upon itself.

Slowly, but with increasing force, it was realized that the "foreign outlet" doctrines of imperialism and internationalism were illusions. This did not mean that foreign commerce was deprecated or deemed undesirable. Indeed such commerce was fully recognized as desirable within the limits of American needs for products not available at home. But it did mean that the potentials of buying power indispensable to keeping American industry and agriculture running at a high tempo lay right here, in the creation of new wealth at home; that three or four billions of foreign commerce were relatively small as compared with the twenty or thirty billions annually wasted in idle plants, idle labor, and idle resources at home; that the frontiers for the expansion of American enterprise were within this continent, not in the fabled Indies or on the Rhine, the Danube, or the Vistula; that all about us, right here, lay the materials for a magnificent civilization; and that the principal task was the concentration of intelligence, the cultural forces of men and women, upon the problem of putting science, technology, inventive ingenuity, private energies, and public enterprise to work in making real the vision of a civilization that rose before the mind as a goal to be attained by majestic effort on this continent, without recourse to empire or entanglements in the age-long coalitions of Europe and Asia.

This continentalism did not seek to make a "hermit" nation out of America. From the very beginning under the auspices of the early Republic, it never had embraced that impossible conception. It did not deny the obvious fact that American civilization had made use of its European heritages, was a part of western civilization, and had continuous contacts with Occidental and Oriental cultures. It did not deny the obvious fact that wars in Europe and Asia "affect" or "concern" the United States. It did not mean "indifference" to the sufferings of Europe or China (or India or Ethiopia). In truth, in all history, no people ever poured out treasure more generously in aid of human distresses in every quarter of the globe—distresses springing from wars, famines, revolutions, persecutions, and earthquakes.

With reference to such conflicts and sufferings, continentalism merely meant a recognition of the limited nature of American powers to relieve, restore, and maintain life beyond its own sphere of interest and control—a recognition of the hard fact that the United States, either alone or in any coalition, did not possess the power to force peace on Europe and Asia, to assure the establishment of democratic and pacific governments there, or to provide the social and economic underwriting necessary to the perdurance of such governments. In respect of morality continentalists did not deny the existence of responsibilities to other nations and peoples. On the contrary they favored discharging such responsibilities, always with due regard for the physical, economic, and political limits on the powers of the United States and for the solemn obligation of protecting the Republic against misadventures headed in the direction of disaster. If this conception fell short of the selfless sacrifice required by an absolute morality, it could claim worthiness in the presence of other examples set by the family of nations.

Besides forcing a concentration of attention, energy, and intelligence on overcoming the grave economic and social crisis at home and on strengthening American civilization in all its best features, continentalism, strictly construed, meant a return to the correct and restrained diplomacy of an earlier time. The freedom of the people and the press to discuss foreign affairs and favor foreign nations, parties, factions, and causes, within the limits of neutrality laws was accepted as axiomatic. Equally axiomatic, if America was to keep its peace, was the duty of public officials, especially the President and Secretary of State, speaking in the name of the whole nation, to abstain from denouncing and abusing foreign States, good or bad, with which diplomatic relations are maintained and the United States is at peace.

Correct policy likewise commanded such public officials to avoid vain and verbose dissertations on the manners and morals of other countries; to couch protests in the language of dignity; to speak and write as briefly and courteously as possible in necessary dealings with foreign governments; to make no boasts which the army and navy could not enforce with a reasonable prospect of success; to carry on international relations with restraint, and in the subdued style of approved diplomatic usage—speaking softly, keeping the powder dry, withholding wrath except when war is intended as a last resort. Such official conduct would enable the Government of the United States to escape innumerable hatreds abroad, offer its services and

cooperation to troubled peoples with authority on proper occasions, and win respect, even affection and esteem, throughout the earth.

This policy, consistently followed by the United States, would favor, not hinder, the coming of peace to other nations of the world.

The Four Freedoms Address

BY FRANKLIN D. ROOSEVELT

THE ANNUAL MESSAGE TO THE CONGRESS. JANUARY 6, 1941

I ADDRESS YOU, the Members of the Seventy-seventh Congress, at a moment unprecedented in the history of the Union. I use the word "unprecedented," because at no previous time has American security been as seriously threatened from without as it is today.

Since the permanent formation of our Government under the Constitution, in 1789, most of the periods of crisis in our history have related to our domestic affairs. Fortunately, only one of these —the four-year War Between the States—ever threatened our national unity. Today, thank God, one hundred and thirty million Americans, in forty-eight States, have forgotten points of the compass in our national unity.

It is true that prior to 1914 the United States often had been disturbed by events in other Continents. We had even engaged in two wars with European nations and in a number of undeclared wars in the West Indies, in the Mediterranean and in the Pacific for the maintenance of American rights and for the principles of peaceful commerce. But in no case had a serious threat been raised against our national safety or our continued independence. . . .

Every realist knows that the democratic way of life is at this moment being directly asailed in every part of the world—assailed either by arms, or by secret spreading of poisonous propaganda by those who seek to destroy unity and promote discord in nations that are still at peace.

During sixteen long months this assault has blotted out the whole pattern of democratic life in an appalling number of independent nations, great and small. The assailants are still on the march, threatening other nations, great and small.

Therefore, as your President, performing my constitutional duty to "give to the Congress information of the state of the Union," I find it, unhappily, necessary to report that the future and the safety of our country and of our democracy are overwhelmingly involved in events far beyond our borders.

Armed defense of democratic existence is now being gallantly waged in four continents. If that defense fails, all the population and all the resources of Europe, Asia, Africa and Australasia will be dominated by the conquerors. Let us remember that the total of those populations and their resources in those four continents greatly exceeds the sum total of the population and the resources of the whole of the Western Hemisphere—many times over.

In times like these it is immature—and incidentally, untrue—for anybody to brag that an unprepared America, singlehanded, and with one hand tied behind its back, can hold off the whole world.

No realistic American can expect from a dictator's peace international generosity, or return of true independence, or world disarmament, or freedom of expression, or freedom of religion—or even good business.

Such a peace would bring no security for us or for our neighbors. "Those, who would give up essential liberty to purchase a little temporary safety, deserve neither liberty nor safety."

As a nation, we may take pride in the fact that we are soft-hearted; but we cannot afford to be soft-headed.

We must always be wary of those who with sounding brass and a tinkling cymbal preach the "ism" of appeasement.

We must especially beware of that small group of selfish men who would clip the wings of the American eagle in order to feather their own nests.

I have recently pointed out how quickly the tempo of modern warfare could bring into our very midst the physical attack which we must eventually expect if the dictator nations win this war.

There is much loose talk of our immunity from immediate and direct invasion from across the seas. Obviously, as long as the British Navy retains its power, no such danger exists. Even if there were no British Navy, it is not probable that any enemy would be stupid enough to attack us by landing troops in the United States from across thousands of miles of ocean, until it had acquired strategic bases from which to operate.

But we learned much from the lessons of the past years in Europe—particularly the lesson of Norway, whose essential seaports were captured by

treachery and surprise built up over a series of years.

The first place of the invasion of this Hemisphere would not be the landing of regular troops. The necessary strategic points would be occupied by secret agents and their dupes—and great numbers of them are already here, and in Latin America.

As long as the aggressor nations maintain the offensive, they—not we—will choose the time and the place and the method of their attack.

That is why the future of all the American Republics is today in serious danger.

That is why this Annual Message to the Congress is unique in our history.

That is why every member of the Executive Branch of the Government and every member of the Congress faces great responsibility and great accountability.

The need of the moment is that our actions and our policy should be devoted primarily—almost exclusively—to meeting this foreign peril. For all our domestic problems are now a part of the great emergency.

Just as our national policy in internal affairs has been based upon a decent respect for the rights and the dignity of all our fellow men within our gates, so our national policy in foreign affairs has been based on a decent respect for the rights and dignity of all nations, large and small. And the justice of morality must and will win in the end.

Our national policy is this:

First, by an impressive expression of the public will and without regard to partisanship, we are committed to all-inclusive national defense.

Second, by an impressive expression of the public will and without regard to partisanship, we are committed to full support of all those resolute peoples, everywhere, who are resisting aggression and are thereby keeping war away from our Hemisphere. By this support, we express our determination that the democratic cause shall prevail; and we strengthen the defense and the security of our own nation.

Third, by an impressive expression of the public will and without regard to partisanship, we are committed to the proposition that principles of morality and considerations for our own security will never permit us to acquiesce in a peace dictated by aggressors and sponsored by appeasers. We know that enduring peace cannot be bought at the cost of other people's freedom.

In the recent national election there was no substantial difference between the two great parties in respect to that national policy. No issue was fought out on this line before the American electorate. Today it is abundantly evident that American citizens everywhere are demanding and supporting speedy and complete action in recognition of obvious danger.

Therefore, the immediate need is a swift and driving increase in our armament production. . . .

New circumstances are constantly begetting new needs for our safety. I shall ask this Congress for greatly increased new appropriations and authorizations to carry on what we have begun.

I also ask this Congress for authority and for funds sufficient to manufacture additional munitions and war supplies of many kinds, to be turned over to those nations which are now in actual war with aggressor nations.

Our most useful and immediate role is to act as an arsenal for them as well as for ourselves. They do not need man power, but they do need billions of dollars worth of the weapons of defense.

The time is near when they will not be able to pay for them all in ready cash. We cannot, and we will not, tell them that they must surrender, merely because of present inability to pay for the weapons which we know they must have.

I do not recommend that we make them a loan of dollars with which to pay for these weapons—a loan to be repaid in dollars.

I recommend that we make it possible for those nations to continue to obtain war materials in the United States, fitting their orders into our own program. Nearly all their matériel would, if the time ever came, be useful for our own defense.

Taking counsel of expert military and naval authorities, considering what is best for our own security, we are free to decide how much should be kept here and how much should be sent abroad to our friends who by their determined and heroic resistance are giving us time in which to make ready our own defense.

For what we send abroad, we shall be repaid within a reasonable time following the close of hostilities, in similar materials, or, at our option, in other goods of many kinds, which they can produce and which we need.

Let us say to the democracies: "We Americans are vitally concerned in your defense of freedom. We are putting forth our energies, our resources and our organizing powers to give you the strength to regain and maintain a free world. We shall send you, in ever-increasing numbers, ships, planes, tanks, guns. This is our purpose and our pledge."

In fulfillment of this purpose we will not be intimidated by the threats of dictators that they will regard as a breach of international law or as an act of war our aid to the democracies which dare to resist their aggression. Such aid is not an

act of war, even if a dictator should unilaterally proclaim it so to be.

When the dictators, if the dictators, are ready to make war upon us, they will not wait for an act of war on our part. They did not wait for Norway or Belgium or the Netherlands to commit an act of war.

Their only interest is in a new one-way international law, which lacks mutuality in its observance, and, therefore, becomes an instrument of oppression.

The happiness of future generations of Americans may well depend upon how effective and how immediate we can make our aid felt. No one can tell the exact character of the emergency situations that we may be called upon to meet. The Nation's hands must not be tied when the Nation's life is in danger.

We must all prepare to make the sacrifices that the emergency—almost as serious as war itself—demands. Whatever stands in the way of speed and efficiency in defense preparations must give way to the national need. . . .

The Nation takes great satisfaction and much strength from the things which have been done to make its people conscious of their individual stake in the preservation of democratic life in America. Those things have toughened the fiber of our people, have renewed their faith and strengthened their devotion to the institutions we make ready to protect.

Certainly this is no time for any of us to stop thinking about the social and economic problems which are the root cause of the social revolution which is today a supreme factor in the world.

For there is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

Equality of opportunity for youth and for others.

Jobs for those who can work.

Security for those who need it.

The ending of special privilege for the few.

The preservation of civil liberties for all.

The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

These are the simple, basic things that must never be lost sight of in the turmoil and unbelievable complexity of our modern world. The inner and abiding strength of our economic and political systems is dependent upon the degree to which they fulfill these expectations.

Many subjects connected with our social economy call for immediate improvement.

As examples:

We should bring more citizens under the coverage of old-age pensions and unemployment insurance.

We should widen the opportunities for adequate medical care.

We should plan a better system by which persons deserving or needing gainful employment may obtain it.

I have called for personal sacrifice. I am assured of the willingness of almost all Americans to respond to that call. . . .

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

The first is freedom of speech and expression—everywhere in the world.

The second is freedom of every person to worship God in his own way—everywhere in the world.

The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants—everywhere in the world.

The fourth is freedom from fear—which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world.

That is no vision of a distant millennium. It is a definite basis for a kind of world attainable in our own time and generation. That kind of world is the very antithesis of the so-called new order of tyranny which the dictators seek to create with the crash of a bomb.

To that new order we oppose the greater conception—the moral order. A good society is able to face schemes of world domination and foreign revolutions alike without fear.

Since the beginning of our American history, we have been engaged in change—in a perpetual peaceful revolution—a revolution which goes on steadily, quietly adjusting itself to changing conditions—without the concentration camp or the quick-lime in the ditch. The world order which we seek is the cooperation of free countries, working together in a friendly, civilized society.

This nation has placed its destiny in the hands and heads and hearts of its millions of free men and women; and its faith in freedom under the

guidance of God. Freedom means the supremacy of human rights everywhere. Our support goes to those who struggle to gain those rights or keep them. Our strength is our unity of purpose.

To that high concept there can be no end save victory.

LEND-LEASE

To MAKE AMERICA the "arsenal of democracy," the Lend-Lease policy was devised. The fight for the bill and the operations under it are described by Edward R. Stettinius, Jr. (1900–) in his *Lend-Lease: Weapon for Victory* (New York, 1944). Here, Stettinius (he was to become the Administrator of Lend-Lease and he filled that office with great competence) tells how British necessity and the memory of the war-debt controversy following World War I combined to contribute to the creation of Lend-Lease as a means of supplying Great Britain with the least possible disturbance of our own plans for defense.

The President had paved the way to Lend-Lease by his address of December 29, 1940, in which he had used the phrase, "arsenal of democracy." His message to Congress had asked for appropriations and authority; HR 1776 was the legislative program to make this possible. Any country "whose defense the President deems vital to the defense of the United States" was to be eligible for aid under the act. If such a nation asked for aid, the President might "sell, transfer title to, exchange, lease, lend or otherwise dispose of . . . any defense article" in return for "payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory."

The original act appropriated $7,000,000,000 for aid to countries resisting aggression and was to run for a little more than two years. (In time, nearly $44,000,000,000 was expended in this fashion.) It also provided for the drawing up of master Lend-Lease agreements. These turned out to be identical and each contained —among provisions for Lend-Lease and reverse Lend-Lease—an Article VII, which looked beyond the immediate war necessities. In fact, Article VII sketched in broad strokes the nature of the postwar economic world the administration was striving to achieve. Article VII of the Russian agreement runs as follows:

In the first determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of worldwide economic relations. To that end, they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

The selections here reprinted are from Edward R. Stettinius, Jr., *Lend-Lease: Weapon for Victory* (New York, 1944), and are reprinted by permission of The Macmillan Company.

Lend-Lease: Weapon for Victory

BY EDWARD R. STETTINIUS, JR.

Chapter VI. H.R. 1776

By December 1940, a majority of the American people, I believe, had made up their minds that it was in our national interest to continue the flow of arms to nations fighting the Axis. . . .

Three days after the election, the President publicly announced a "rule of thumb" for the division of American arms output. As weapons came off the production lines, they were to be divided roughly 50–50 between the United States forces and the British and Canadian forces. That same day, the Priorities Board approved a British request to order 12,000 more airplanes here in addition to the 11,000 they had already ordered. The promise of material aid to keep Britain in the fight was day by day being translated into a definite plan. But the machinery for carrying out the plan had still to be devised.

The most immediate problem was one of dollars. The British had started in September 1939 with roughly four and a half billions in dollars, and in gold and United States investments that could be turned into dollars. Much of this belonged to private British citizens, but after the outbreak of war the British Government began to take over the private dollar balances and United States investments, compensating the owners in British pounds. The dollars all went into a single Government war chest.

Outside of gold production within the British Commonwealth, the most important source from which the British could replenish their war chest of dollars was their export trade with the United States. During 1940, it seemed strange to many Americans that a nation battling for survival like Britain should be making such strenuous efforts to export such luxury goods as whiskey, fine woolens and pottery. But there was a good reason for it. These British-made goods were sold here for dollars, which were used in turn to buy American-made weapons.

In the sixteen months that followed the outbreak of war, the British managed to realize from sales of gold, exports and other sources almost two billion dollars more. But in the same period, they paid out nearly four and a half billion for the war supplies they had to have from this country and from other countries that demanded gold. Their net loss of dollars was almost two and a half billion. . . .

By the end of 1940, Britain's war chest of dollars was down almost to two billion, and of this nearly a billion and a half was already pledged to pay for war goods ordered here but not yet delivered. The British could not possibly mine enough gold, export enough goods or sell enough services, such as shipping, to get the dollars it would take to go on buying weapons here at the rate they needed them. They had already sold outright 335 million dollars worth of stocks in American companies owned by private individuals in Britain. The plain fact was that they had little more than enough dollar assets left to pay for the materials they had already ordered here. . . .

To meet the dollar problem, we could have made loans to Britain, as we had made loans to our Allies in the last war. At first glance, it was a simple and convenient solution, but in reality it was loaded with trouble. Loans between allies in a major war of survival seldom work out satisfactorily. The British had found this out more than a hundred years before when they had combined with other nations in Europe to stop Napoleon. They made some loans to finance their allies and then found that only a fraction of the loan could be repaid. In the long run, they simply gave up making loans altogether. Because it was vital to Britain's security that Napoleon be defeated, they gave enormous amounts of aid to their allies in the form of outright subsidies.

We in the United States had discovered after the last war how unworkable loans were when the war-debt problem brought economic dislocation and disastrous misunderstandings between allies who should have been standing together to keep the world at peace. A fixed money debt would create the same difficulties all over again.

There was another important reason for not making loans. The crux of the matter was not dollars; it was planes, guns and ships. To put aid to countries holding the Axis in check on a commercial basis would inevitably hamper us in achieving our real objective—to get enough weapons to the battlefronts to stop aggression before it reached the Western Hemisphere.

Munitions capacity was growing tighter every day; machine tools were becoming scarce; raw materials shortages began to loom ahead. By December 1st, 1940, only 2,100 of the 23,000 planes that the British had ordered or were programming had been delivered. To deliver all these planes

and to build at the same time the air strength our own safety required would strain our plant facilities to the limit. Only a single, unified Government procurement policy for all defense purposes could do the tremendous job that was now ahead. This meant that the United States Government should place all the orders for weapons in this country.

There was finally the problem of defense strategy. No one could foresee the changes that the course of the war might require in the allocation of American arms. It might be necessary for us to send abroad weapons originally scheduled for our own Army in order to prevent a decisive Axis victory overseas before we were prepared ourselves. On the other hand, we ourselves might be under attack when the planes ordered in December 1940 began to come off the production lines in December 1941.

The search had gone on in the Government all during the summer and fall of 1940 for the best solution to all these problems. The first time I got an idea of what the answer might be was at a meeting of the Defense Advisory Commission with the President in the late summer. We were talking of the shipping shortage and the increasing difficulty the British would inevitably have in moving their war supplies from the United States. They had already begun to buy ships here, but we knew they did not have enough dollars to go on with this program very long. Finally, the President suggested that it should not be necessary for the British to take their own funds and have ships built here, or for us to loan them money for this purpose. In his opinion there was no reason why we could not take a finished vessel and lease it to them for the duration of the emergency.

It was a new idea to all of us there, and it seemed to make sense. But the problems of the Defense Advisory Commission were then chiefly in the domestic field, and I thought little about the President's remark until later on when the words "Lend-Lease" were the center of everyone's attention in Washington. Then I thought back and realized that the President's remark was not just an isolated comment on a single problem. It was part of a complete plan for aiding the democracies that he was turning over in his mind.

The idea, I found later, had been first proposed in the Treasury Department, where the problem of continuing the flow of arms to Britain in the face of her diminishing dollar supply was constantly under consideration. The Treasury lawyers found that under an old statute of 1892, the Secretary of War, "when in his discretion it will be for the public good," could lease Army property "not required for public use," for a period of not longer than five years. Under this statute, tractors, lathes, cranes, barges, and other such Army items had been leased from time to time.

The statute suggested the idea of applying the lease principle to a system of aid for Britain. It was a fruitful starting point. But the idea of an ordinary lease was not wholly applicable either. When a man rents a house, for instance, he ordinarily fixes a definite price and a length of time for the lease to run. This was plainly impossible when we sent weapons to Britain or to China. How long the crisis would last, what we would want them to give us in return—no one knew the answers to these questions. The lease would have to be open-ended, with a gentlemen's agreement for a fair and workable settlement in the best interests of all of us after the Axis had been defeated. . . .

As the march of aggression continued abroad, the country was coming to appreciate more fully the imminence of the threat to us if Britain should collapse. But a plan for furnishing her the arms she needed had still to be agreed upon. When the President returned from the Caribbean on December 16th, 1940, he was ready to make a proposal to the American people. He outlined it first at his press conference the next day.

To the reporters, Mr. Roosevelt laid down what he took to be the clear policy of the United States: "There is absolutely no doubt in the mind of a very overwhelming number of Americans that the best immediate defense of the United States is the success of Great Britain defending itself; and that, therefore, quite aside from our historic and current interest in the survival of democracy in the world as a whole, it is equally important from a selfish point of view and of American defense, that we should do everything possible to help the British Empire to defend itself."

He reminded the conference that no major war in all history had ever been won or lost because of money. In 1914 the bankers had all assured us that the war would probably not go on for more than three months because of lack of money, and if it did, the bankers would stop it within six months. "There was the best economic opinion in the world that the continuance of war was absolutely dependent on money in the bank. Well, you know what happened," he said.

"Now, what I'm trying to do is to eliminate the dollar sign." That was the heart of the proposal.

Then the President explained his solution in simple terms. Our factories were turning out munitions. The British were buying some of them; we were buying the rest. From now on, the United

States Government should place all the contracts for munitions to be manufactured in the United States. If we needed them when they came off the line, we would use them ourselves. If we decided that they "would be more useful to the defense of the United States if they were used in Great Britain than if they were kept in storage here," we could "either lease or sell the materials, subject to mortgage, to the people on the other side."

"The defense of the United States," and not dollars, was henceforth to determine where our weapons were to go. . . .

On January 6th, 1941, a week after the fireside chat, the President delivered his annual message to Congress on "The State of the Union."

"I find it unhappily necessary to report," he said, "that the future and the safety of our country are overwhelmingly involved in events far beyond our borders." Then he asked the Congress for the authority and the funds necessary to manufacture additional weapons and war supplies to be turned over to those countries actually at grips with the Axis.

Almost as soon as the President got back to the White House from the Capital, Secretary Morgenthau and E. H. Foley, the General Counsel of the Treasury, called on him to discuss a proposed bill to carry out the policy of full aid to the democracies. The bill had been first drafted four days before by Oscar S. Cox, a Maine lawyer who had come down to the Treasury in 1938 from the New York City Corporation Counsel's Office. He had worked on the problems of foreign purchases here since the earliest days, and he was among the first to propose the trade-in as a method of transferring the rifles to Britain. Later that summer, he had dug up the old 1892 statute that had begun the thinking on aid to the democracies in terms of a lease. His draft of the Lend-Lease Bill was modelled in part on the Pittman Act, passed in the summer of 1940 in order to assist the other American Republics to obtain arms in this country.

After Cox prepared the first draft, the Lend-Lease Bill was discussed and revised—by Secretary Morgenthau and the Treasury staff; by Secretary Stimson, Assistant Secretary McCloy, and other War Department officials; by Secretary Knox; by Secretary Hull and his legal advisor, Green Hackworth; by Attorney General Jackson; by Ben Cohen, and by many others—in a series of day and night discussions and drafting sessions. Congressional leaders—Senators Barkley, George, Connally and Harrison, Speaker Rayburn, Representatives McCormack, Bloom and Luther Johnson—were consulted. By the time the bill was brought to the President, it was a joint product of many different persons. A new idea, a new word, a change of phrase came out of every discussion. The staff of the Congressional Legislative Counsel worked long hours getting the language in the best possible form. The Treasury lawyers worked long hours coordinating and reconciling all the suggestions that had been made.

When Morgenthau handed him the bill, the President read it slowly and carefully. After he had finished, he said that it provided for the aid which we had determined to give in the most direct and clean-cut fashion possible. He wanted it brought back to him as soon as possible initialed by Secretaries Hull, Stimson and Knox, by Mr. Knudsen and by Secretary Morgenthau himself.

The next day, Foley and Cox started around Washington for final clearance on the bill. There was another rapid series of conferences; a few more changes were made by the State Department and the War Department. But by five o'clock in the afternoon Secretary Morgenthau and Foley were back at the White House with a bill that everyone agreed on. It bore all the initials the President had asked for. . . .

At noon the next day, January 10th, Senator Barkley introduced the bill in the Senate, and Representative McCormack introduced it in the House. The Clerk of the House of Representatives stamped it with the number H.R. 1776.

Chapter VII. The Lend-Lease Debate

The debate on H.R. 1776—the Lend-Lease Bill—was the final stage in a running national debate that had been going on in the United States with increasing vigor since the fall of France.

In countless speeches, in editorials, in magazine articles, in resolutions adopted by organizations and meetings of all sorts, our Government was urged ever more insistently to increase aid to Britain and the other nations battling the Axis. The "Committee to Defend America by Aiding the Allies" urged a full program of aid as a necessary step to protect our own security.

On the other side, the "America First Committee" insisted that our national safety was not vitally endangered by the war in Europe and that we should take no steps to help either side. By rearming ourselves, they said, we would secure the defenses of the Western Hemisphere even if all the rest of the world fell to the Axis. Innumerable other groups—a small number of them tied up with Axis propagandists, but the great majority composed of loyal, sincere American citizens—were formed to fight the policy of aid to the nations battling the Axis.

During the late summer of 1940, when the

destroyers-for-bases exchange was under discussion, the debate rose in a sharp crescendo as it became focused on this specific proposal. When the transfer was finally made, it was clear, I believe, that a majority of the American people approved. This was still not a clear-cut decision on the basic issue of our foreign policy, however, for no one could deny that we had received an enormous immediate benefit from the exchange—a long chain of naval bases protecting our Atlantic approaches. The issue of all-out aid to Britain, China and other nations, with less immediate and tangible benefit to the United States, was still to be thrashed out. . . .

At no time in our history have these processes of democratic discussion had freer rein than in the debate on Lend-Lease. It was as if the whole American people were thinking out loud. I felt then, and feel now, that in the process we as a nation cleaned up our thinking about our place in the world. We were able to take a fresh inventory of ourselves, of our past and our future. Then through our democratic processes, we freely made up our minds on the part we had to play in the affairs of the world if we were to preserve our freedom.

The national debate on aid to the democracies came into ever sharper focus with the President's story of the garden hose, the fireside chat with its pledge of the "arsenal of democracy," and the address on the State of the Union. When the Lend-Lease Bill was introduced on January 10th, 1941, the issues were definitely drawn.

H.R. 1776 proposed both a broad principle of foreign policy and a method for making it effective in a world at war.

The principle was contained in the words defining eligibility for Lend-Lease aid—"any country whose defense the President deems vital to the defense of the United States." The word "vital" was the heart of the matter. To favor limited aid to the allies as an expedient device for saving friendly nations from conquest was one thing. To declare that the defense of those nations was "vital" to our own national security was quite another. If we adopted the bill with these words, we would, in effect, declare the interdependence of the American people with the other freedom-loving people of the world in the face of Axis aggression. We would recognize that adding our strength to the strength of our friends was our greatest hope of preserving this nation under those principles of the American faith established in our Declaration of Independence and in the Gettysburg Address.

The method proposed by H.R. 1776 was a logical one for carrying out this principle of foreign policy. The bill authorized the President to "sell, transfer title to, exchange, lease, lend, or otherwise dispose of . . . any defense article" to any nation whose defense he found vital to the defense of the United States. As arms manufactured in this country came off the production line, we would decide where they could contribute most to our security. If they would do more good in the hands of our friends than they would in reserve here at home, we would transfer them.

"The benefit to the United States" in return for these transfers, the bill provided, "may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory." This provision was purposely broad. The greatest immediate benefit to us, of course, would be the use of Lend-Lease weapons against the aggressor nations. Beyond that, we would expect nations receiving aid to assist us in other ways. But the course of events alone could determine what form these benefits would take.

In order that the President might act quickly enough to meet the swift developments of the war, wide discretionary authority was delegated to him by the bill. He was to name the nations whose defense was vital to the defense of the United States. Within the limits of Congressional appropriations, he was to decide what arms and other supplies should be transferred and what services performed. It was left to him to decide what the benefits to the United States should be in return for the aid we rendered.

The bill recognized the total nature of this war in its broad definition of the "defense articles" which might be transferred. We could lend-lease weapons of all types for land, sea, or air warfare; all types of transport equipment and services necessary to maintain lines of supply stretching thousands of miles; the machines, tools, and raw materials required to maintain production of weapons in the factories of the nations battling the Axis; food and the means to produce food for their soldiers and their war workers. We could repair, bunker, and provision in our ports and drydocks the warships and cargo vessels of Great Britain and her allies. We could make available the designs of guns, of airplanes, and any other new weapons we had. And under the same power —"to communicate . . . any defense information" —we could train pilots, gunners, and mechanics here for the air forces battling the Luftwaffe and the Japanese Zeros. These were the essential features of H.R. 1776. . . .

As the weeks passed, it became apparent that we were divided on the issue of Lend-Lease without

regard to party, profession, background, or creed. . . .

In essence, the Lend-Lease debate, both in Congress and in the country at large, did not concern aid to other nations, but rather the strategy by which we should provide for the security of our own nation. By the time the debate started, there was little question in the minds of the American people that the United States was in danger. But the character and extent of that danger and the steps we must take to protect ourselves against it were still in dispute.

Those witnesses before the House and Senate Committees, and the others who saw the danger most clearly, were convinced first of all that there were no limits to the Axis designs of aggression. As Secretary Hull said, "Mankind is today face to face, not with regional wars or isolated conflicts, but with an organized, ruthless, and implacable movement of steadily expanding conquest." There was no reason to believe that with Dakar in Axis control, and—if the worst should befall Britain—with the Atlantic open to her, Germany would not seize the opportunity to intervene in a Nazi-inspired revolution somewhere in South America. Since Germany could not doubt that we would instantly come to the defense of any South American republic menaced by Nazi armies, she might well combine her offensive in South America with an attack upon North America through Britain, Ireland and Greenland, natural stepping stones across the North Atlantic.

"For the first time in modern history," Secretary Stimson said, "the United States is confronted by a nation with an overwhelming army, including an overwhelming air force, and with the possibility of getting control of the Atlantic."

The imminence of this danger to the United States was put squarely by Secretary Morgenthau, after he had outlined Britain's desperate dollar position: "If Congress does not act on this bill, there is nothing left for Great Britain to do but stop fighting."

In the Pacific, the threat to continental United States was not so imminent, but the danger to our overall security was equally grave. Japan's aims, like Hitler's, were clearly without limit. Domination of all China was now an openly confessed goal, and the Japanese were becoming more and more outspoken about their aims for dominating all the rest of East Asia and all of the East Indies as well. Already the Japanese had thrust down into French Indo-China, flanking the Philippines and pointing directly at Singapore and the Dutch East Indies. All this was dignified by the phrase "Greater East Asia Co-Prosperity Sphere," but the actions of Japan in Manchuria and China left no doubt that this was merely a Japanese version of Hitler's "New Order." They were determined to make the whole of East Asia and the Indies into an economic colony for ruthless Japanese exploitation. All hope of equality and free commerce in Asia, for the mutual benefit of Orient and Occident alike, would be destroyed if they succeeded.

In 1941, our two-ocean Navy was still in the building. Our one-ocean fleet was in the Pacific. Our Army was just beginning to expand. We were easier game then than we might ever be again. "Such a situation," Mr. Stimson said, "can easily become critical if British sea power in the Atlantic is lost. Such a disaster would involve not only the security of the North Atlantic but the security of the South Atlantic and South America as well." And if Germany should attack somewhere on the long eastern shore of this hemisphere, Japan might well call any steps we took to defend ourselves an "attack" on Germany and come to Germany's aid "with all political, economic, and military means," as she had promised to do in the Axis alliance of September 1940. Japan might well seize this as the most favorable moment that might ever occur for an attack on us—certainly on the Philippines and our other islands, and even perhaps on the Panama Canal, Alaska or some other point on our western coast.

In a sense, the attack on the Western Hemisphere had already begun. The Nazis do not make war merely by building up armed forces at home and then suddenly launching them against an unsuspecting neutral. Their attack on the freedom of a country begins long before their armies march over its boundaries or their airplanes appear over its cities. They foment political disturbances. Through *Auslandsdeutsche* organizations and bunds, they build an army within the gates to help them on the day of attack. By cartel agreements and other forms of economic warfare, they do their best to destroy the war industries of a country which they propose to conquer. With their commercial airlines they develop reserves of pilots who know a country well from the air, and they build airfields which may some day be used by their invading air forces. . . .

One objection to this strategy of defense, raised time and again in the hearings, was the doctrine of neutrality which had been evolved during the 19th century in response to the desire of nations to continue normal commercial trade with belligerents. The law was a complicated compromise between this desire to trade and the natural desire of a warring nation to cut off its enemy from all

outside sources of supplies. Effective blockades were defined; contraband of war was listed. The rights and duties of neutrals and nations at war were carefully detailed. As a part of all this, the doctrine was evolved that wars are neither good nor bad; they just exist. No distinction was to be made by non-belligerent governments between the side that was in the right and the side that was in the wrong.

As the Axis threat grew closer, two basic truths of international law which had lain long neglected underneath the theory of neutrality slowly struggled to the surface. The first was the simple right of any nation to take whatever steps were necessary to protect itself against an enemy clearly spoiling for war—the law of self-defense. As Secretary Hull said before the House Committee on Foreign Affairs, "in the face of the forces of conquest now on the march across the earth, self-defense is and must be the compelling consideration in the determination of wise and prudent national policy."

The second principle might best be called the "law of mutuality." The Axis nations, Secretary Hull said, "have repudiated in every respect the long-accepted principle of peaceful and orderly international relations. . . . I am certain that the day will come again when no nation will have the effrontery and the cynicism to demand that, while it itself scoffs at and disregards every principle of law and order, its intended victims must adhere rigidly to all such principles—until the very moment when its armed forces have crossed their frontiers. But so long as such nations exist, we cannot and must not be diverted—either by their threats or by their hypocritical protests—from our firm determination to create means and conditions of self-defense." . . .

When the hearings were over, the House Foreign Affairs Committee voted 17 to 8 to report the bill favorably "as of the highest importance to the vital interests of our country—and even of our civilization." It reached the floor on February 3rd, 1941. Then followed five days of debate during which all the arguments on both sides were finally summed up. One by one the amendments intended to emasculate the bill or to substitute provisions authorizing a straight money loan or credit were voted down, with plenty of votes to spare. On February 8th, the bill passed by a vote of 260 to 165.

Debate in the Senate began on February 17th after the Senate Foreign Relations Committee had reported the bill with its approval by a vote of 15 to 8, and it continued until March 8th—almost three weeks. Once again, all the arguments were summed up. Senator Barkley, Democratic leader, and Senator Austin, deputy Republican leader, led off the debate for those in favor of the bill. Like the House, the Senate voted down a score of opposition amendments. Finally, on Saturday night, March 8th, the opposition gave way and a final vote was taken. It was 60 to 31 in favor of the bill.

The Senate version of the bill went back to the House for concurrence in minor changes, and on Tuesday, March 11, 1941, the House accepted them by a vote of 317 to 71. As soon as the vote was completed the House Minority Leader, Representative Martin and Republican Senator Vandenberg, both of whom had been active in opposition, issued unity statements pledging full bipartisan support of the Lend-Lease program, now that it was the law of the land.

The bill was engrossed immediately and rushed to the White House. At ten minutes before four o'clock that afternoon the Lend-Lease Act became law. The next day Congress was asked to appropriate $7,000,000,000 to start the production of planes, tanks and guns, raw materials, factory equipment and food for nations whose defense we had now decided was vital to our own.

On March 15th, the President summed up the debate at the White House Correspondents Association annual dinner. "Let the dictators of Europe and Asia doubt our unanimity now," he said. "The decisions of our democracy may be slowly arrived at. But when that decision is made, it is proclaimed not with the voice of any one man, but with the voice of one hundred and thirty millions."

WORLD WAR II

THE UNITED STATES was doing everything it possibly could to help Britain—and also the U.S.S.R. after Hitler suddenly attacked Russia on June 22, 1941—but it continued to watch uneasily Japan's creeping advance down the Asiatic continent. During the winter of 1940–41, as relations between the two countries steadily deteriorated, it was becoming plain that Japan was beginning to bring pressure to bear on the Dutch in Batavia and was moving further into Indo-China and adjoining Thailand. In the spring of 1941, Japan sent a new

ambassador to the United States, Admiral Nomura, and he and Secretary Hull kept in almost constant touch with one another. Agreement was impossible: Japan had no intention of surrendering her newly obtained gains in the Southwest Pacific and—as both a warning and a measure of defense—on July 26, a presidential order froze all Japanese assets in the United States. When, in October, General Tojo became Prime Minister of Japan, it was apparent that the army had gained control of Japanese affairs. In November, Secretary Hull admitted to a Cabinet meeting that our relations with Japan were extremely critical.

On November 15, Japan sent Saburo Kurusu to Washington to join Admiral Nomura in negotiating with Secretary Hull. Conversations proceeded; and, in fact, one such meeting had just been terminated when the world was astounded by the unheralded attack on Pearl Harbor on Sunday, December 7, 1941. The next day, the President appeared before Congress and requested the declaration of the existence of a state of war with Japan. Both houses did so immediately with only a single dissenting vote. On December 11, Germany and Italy declared war on the United States. In his congressional address and in his radio speech to the American people—both reprinted here—Roosevelt describes the immediate steps leading to America's involvement in World War II.

The two addresses were published in *Development of United States Foreign Policy: Addresses and Messages of Franklin D. Roosevelt* (Senate Document No. 188, 77th Congress, 2d Session, Washington, 1942).

Two Addresses

BY FRANKLIN D. ROOSEVELT

1. Address Asking for a War Declaration against Japan, December 8, 1941

Yesterday, December 7, 1941—a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan.

The United States was at peace with that nation and, at the solicitation of Japan, was still in conversation with its Government and its Emperor looking toward the maintenance of peace in the Pacific. Indeed, one hour after Japanese air squadrons had commenced bombing in Oahu, the Japanese Ambassador to the United States and his colleague delivered to the Secretary of State a formal reply to a recent American message. While this reply stated that it seemed useless to continue the existing diplomatic negotiations, it contained no threat or hint of war or armed attack.

It will be recorded that the distance of Hawaii from Japan makes it obvious that the attack was deliberately planned many days or even weeks ago. During the intervening time the Japanese Government has deliberately sought to deceive the United States by false statements and expressions of hope for continued peace.

The attack yesterday on the Hawaiian Islands has caused severe damage to American naval and military forces. Very many American lives have been lost. In addition American ships have been reported torpedoed on the high seas between San Francisco and Honolulu.

Yesterday the Japanese Government also launched an attack against Malaya.

Last night Japanese forces attacked Hong Kong.

Last night Japanese forces attacked Guam.

Last night Japanese forces attacked the Philippine Islands.

Last night the Japanese attacked Wake Island.

This morning the Japanese attacked Midway Island.

Japan has, therefore, undertaken a surprise offensive extending throughout the Pacific area. The facts of yesterday speak for themselves. The people of the United States have already formed their opinions and well understand the implications to the very life and safety of our Nation.

As Commander in Chief of the Army and Navy I have directed that all measures be taken for our defense.

Always will we remember the character of the onslaught against us.

No matter how long it may take us to overcome this premeditated invasion, the American people, in their righteous might, will win through to absolute victory.

I believe I interpret the will of the Congress and of the people when I assert that we will not only defend ourselves to the uttermost but will make very certain that this form of treachery shall never endanger us again.

Hostilities exist. There is no blinking at the fact that our people, our territory, and our interests are in grave danger.

With confidence in our armed forces—with the unbounded determination of our people—we will gain the inevitable triumph—so help us God.

I ask that the Congress declare that since the unprovoked and dastardly attack by Japan on Sunday, December 7, a state of war has existed between the United States and the Japanese Empire.

2. Address to the American People, December 9, 1941

The sudden criminal attacks perpetrated by the Japanese in the Pacific provide the climax of a decade of international immorality.

Powerful and resourceful gangsters have banded together to make war upon the whole human race. Their challenge has now been flung at the United States of America. The Japanese have treacherously violated the long-standing peace between us. Many American soldiers and sailors have been killed by enemy action. American ships have been sunk, American airplanes have been destroyed.

The Congress and the people of the United States have accepted that challenge.

Together with other free peoples, we are now fighting to maintain our right to live among our world neighbors in freedom and in common decency, without fear of assault.

I have prepared the full record of our past relations with Japan, and it will be submitted to the Congress. It begins with the visit of Commodore Perry to Japan 88 years ago. It ends with the visit of two Japanese emissaries to the Secretary of State last Sunday, an hour after Japanese forces had loosed their bombs and machine guns against our flag, our forces, and our citizens.

I can say with utmost confidence that no Americans today or a thousand years hence, need feel anything but pride in our patience and our efforts through all the years toward achieving a peace in the Pacific which would be fair and honorable to every nation, large or small. And no honest person, today or a thousand years hence, will be able to suppress a sense of indignation and horror at the treachery committed by the military dictators of Japan, under the very shadow of the flag of peace borne by their special envoys in our midst.

The course that Japan has followed for the past 10 years in Asia has paralleled the course of Hitler and Mussolini in Europe and Africa. Today, it has become far more than a parallel. It is collaboration so well calculated that all the continents of the world, and all the oceans, are now considered by the Axis strategists as one gigantic battlefield.

In 1931, Japan invaded Manchukuo—without warning.

In 1935, Italy invaded Ethiopia—without warning.

In 1938, Hitler occupied Austria—without warning.

In 1939, Hitler invaded Czechoslovakia—without warning.

Later in 1939, Hitler invaded Poland—without warning.

In 1940, Hitler invaded Norway, Denmark, Holland, Belgium, and Luxembourg—without warning.

In 1940, Italy attacked France and later Greece—without warning.

In 1941, the Axis Powers attacked Jugoslavia and Greece and they dominated the Balkans—without warning.

In 1941, Hitler invaded Russia—without warning.

And now Japan has attacked Malaya and Thailand—and the United States—without warning.

It is all of one pattern.

We are now in this war. We are all in it—all the way. Every single man, woman, and child is a partner in the most tremendous undertaking of our American history. We must share together the bad news and the good news, the defeats and the victories—the changing fortunes of war.

So far, the news has all been bad. We have suffered a serious setback in Hawaii. Our forces in the Philippines, which include the brave people of that commonwealth, are taking punishment, but are defending themselves vigorously. The reports from Guam and Wake and Midway Islands are still confused, but we must be prepared for the announcement that all these three outposts have been seized.

The casualty lists of these first few days will undoubtedly be large. I deeply feel the anxiety of all families of the men in our armed forces and the relatives of people in cities which have been bombed. I can only give them my solemn promise that they will get news just as quickly as possible.

This Government will put its trust in the stamina of the American people, and will give the facts to the public as soon as two conditions have been fulfilled: First, that the information has been definitely and officially confirmed; and, second, that the release of the information at the time it is re-

ceived will not prove valuable to the enemy directly or indirectly. . . .

Now a word about the recent past—and the future. A year and a half has elapsed since the fall of France, when the whole world first realized the mechanized might which the Axis nations had been building for so many years. America has used that year and a half to great advantage. Knowing that the attack might reach us in all too short a time, we immediately began greatly to increase our industrial strength and our capacity to meet the demands of modern warfare.

Precious months were gained by sending vast quantities of our war materials to the nations of the world still able to resist Axis aggression. Our policy rested on the fundamental truth that the defense of any country resisting Hitler or Japan was in the long run the defense of our own country. That policy has been justified. It has given us time, invaluable time, to build our American assembly lines of production.

Assembly lines are now in operation. Others are being rushed to completion. A steady stream of tanks and planes, of guns and ships, of shells and equipment—that is what these 18 months have given us.

But it is all only a beginning of what has to be done. We must be set to face a long war against crafty and powerful bandits. The attack at Pearl Harbor can be repeated at any one of many points in both oceans and along both our coast lines and against all the rest of the hemisphere.

It will not only be a long war, it will be a hard war. That is the basis on which we now lay all our plans. That is the yardstick by which we measure what we shall need and demand—money, materials, doubled and quadrupled production, ever increasing. The production must be not only for our own Army and Navy and air forces. It must reinforce the other armies and navies and air forces fighting the Nazis and the war lords of Japan throughout the Americas and the world.

I have been working today on the subject of production. Your Government has decided on two broad policies.

The first is to speed up all existing production by working on a 7-day-week basis in every war industry, including the production of essential raw materials.

The second policy, now being put into form, is to rush additions to the capacity of production by building more new plants, by adding to old plants, and by using the many smaller plants for war needs.

Over the hard road of the past months we have at times met obstacles and difficulties, divisions and disputes, indifference and callousness. That is now all past and, I am sure, forgotten.

The fact is that the country now has an organization in Washington built around men and women who are recognized experts in their own fields. I think the country knows that the people who are actually responsible in each and every one of these many fields are pulling together with a teamwork that has never before been excelled.

On the road ahead there lies hard work—gruelling work—day and night, every hour and every minute.

I was about to add that ahead there lies sacrifice for all of us.

But it is not correct to use that word. The United States does not consider it a sacrifice to do all one can, to give one's best to our Nation, when the Nation is fighting for its existence and its future life.

It is not a sacrifice for any man, old or young, to be in the Army or the Navy of the United States. Rather is it a privilege.

It is not a sacrifice for the industrialist or the wage earner, the farmer or the shopkeeper, the trainman or the doctor, to pay more taxes, to buy more bonds, to forego extra profits, to work longer or harder at the task for which he is best fitted. Rather is it a privilege.

It is not a sacrifice to do without many things to which we are accustomed if the national defense calls for doing without. . . .

In these past few years—and, most violently, in the past few days—we have learned a terrible lesson.

It is our obligation to our dead—it is our sacred obligation to their children and our children—that we must never forget what we have learned.

And what we all have learned is this:

There is no such thing as security for any nation—or any individual—in a world ruled by the principles of gangsterism.

There is no such thing as impregnable defense against powerful aggressors who sneak up in the dark and strike without warning.

We have learned that our ocean-girt hemisphere is not immune from severe attack—that we cannot measure our safety in terms of miles on any map.

We may acknowledge that our enemies have performed a brilliant feat of deception, perfectly timed and executed with great skill. It was a thoroughly dishonorable deed, but we must face the fact that modern warfare as conducted in the Nazi manner is a dirty business. We don't like it—we didn't want to get in it—but we are in it and we're going to fight it with everything we've got.

I do not think any American has any doubt of

our ability to administer proper punishment to the perpetrators of these crimes. . . .

The true goal we seek is far above and beyond the ugly field of battle. When we resort to force, as now we must, we are determined that this force shall be directed toward ultimate good as well as against immediate evil. We Americans are not destroyers; we are builders.

We are now in the midst of a war, not for conquest, not for vengeance, but for a world in which this Nation, and all that this Nation represents, will be safe for our children. We expect to eliminate the danger from Japan, but it would serve us ill if we accomplished that and found that the rest of the world was dominated by Hitler and Mussolini.

We are going to win the war, and we are going to win the peace that follows.

And in the dark hours of this day—and through dark days that may be yet to come—we will know that the vast majority of the members of the human race are on our side. Many of them are fighting with us. All of them are praying for us. For, in representing our cause, we represent theirs as well—our hope and their hope for liberty under God.

ONE WORLD

In 1940, the Republicans faced the unprecedent necessity—or opportunity—of fighting a presidential campaign with the third term as one of the most conspicuous issues. For the New Deal, and the defense program which had all but supplanted it, could be trusted to no Democratic leader other than Roosevelt. As their candidate, the Republicans chose Wendell Lewis Willkie (1892–1944), a successful lawyer and utility-company executive who, in the interests of his Commonwealth and Southern Corporation, had skillfully tested—and succeeded in cutting down—the powers of the TVA. He had never previously held public office.

Willkie was no standpatter, although he had endeared himself to conservative business interests, and with much of the achievement of the New Deal he sympathized. He was opposed, however, to the New Deal's inefficiency and irresponsibility, to its hostility to business, and to its willingness to build up a great bureaucracy. On foreign affairs he saw eye to eye with the President: Britain had to be aided, the Axis meant to attack us. Willkie made a good fight and cut heavily into Roosevelt's popular following; in fact, the popular vote for him was 22,000,000 against Roosevelt's 27,000,000. But the Electoral College vote was 449 to 82, as the Republicans carried only ten New England and Midwestern States.

Unlike many defeated dark-horse candidates, however, Willkie did not retire into obscurity after his campaign. Before long, the United States was involved in the war and Willkie without reservation accepted the President's leadership. Willkie's *One World* (New York, 1943) is a statement of his loyalty and an attempt to make the people of the United States know why they were fighting.

Late in August, 1943, Willkie left on the world-wide wartime journey which he describes in his book; he returned to the United States in October, after having flown across five continents, visited the desert and the Russian fronts, stopped in Middle Asia, and talked to such war leaders as Montgomery, Stalin and Chiang Kai-shek. What Willkie saw convinced him that the people of the world were with the Allies, but that many Allied leaders, particularly executive military officers in positions of local command, had no notion of the world they lived in. All this needed changing. To Willkie, "only new men and new ideas in the machinery of our relations with the peoples of the East can win the victory without which any peace will be only another armistice." But he was also disturbed by the fanatical nationalism that was rising its head in the Middle East.

Between his trips to the Middle East and to China, and again on his way home from Chungking, Willkie visited Russia. There, he saw factories and farms, had a glimpse of the front, talked to Soviet officials, and thought about the Revolution while the Russians were fighting to hold Stalingrad. As a result of those ob-

servations, Willkie concluded that the U.S.S.R. was a going concern, that it was a trustworthy wartime ally, and that there could "be no continued peace" unless the United States learned to work with Russia after the war. Yet Willkie was convinced that communism could make no inroads on a living democracy that used its ideals of freedom and equality of opportunity to enrich the lives of its citizens.

From the experiences of his forty-nine day trip, Willkie drew conclusions that form the basis of the policy he formulates in the last chapter of *One World*. For the United States, for the American people particularly, there exists a deep reservoir of good will. But America can turn that good will to the use of peace only if it has sound notions about the reasons for this war. To have real peace, we must reach substantial agreement with our allies now. The peoples want a working world-cooperation to replace both imperialism and isolationism. If we are not to fall into the morass of cynicism and inertia that followed the first World War, the United States and the United Nations must avoid the errors of the past: preservation of imperialism, neglect of economic problems, and imposition of a ready-made international organization. If the United Nations are to remain united for peace, America must acquire and follow a consistent foreign policy. Isolationism has been tried and found wanting. The American people bumbled into that after the last war; they cannot afford to repeat the error. Since geographic remoteness can no longer protect us, we must choose among narrow nationalism, which means ultimate dictatorship; imperialism, which attacks other people's freedom and may finally destroy our own; and a world offering free opportunity to all. The Western Powers must abandon their empires, for the East will no longer abide them. We must restore world trade and raise world living standards, if only for American self-interest. And we must make certain that the United States joins the society of free nations as a wholehearted and responsible member. In this way, Willkie saw the realization of the American dream.

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One World

BY WENDELL L. WILLKIE

Our Imperialisms at Home

. . . A TRUE WORLD OUTLOOK is incompatible with a foreign imperialism, no matter how high-minded the governing country. It is equally incompatible with the kind of imperialism which can develop inside any nation. Freedom is an indivisible word. If we want to enjoy it, and fight for it, we must be prepared to extend it to everyone, whether they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin. We cannot, with good conscience, expect the British to set up an orderly schedule for the liberation of India before we have decided for ourselves to make all who live in America free.

In this war we are allied with four hundred million people of China and we count as our friends three hundred million people of India. Fighting with us are the Filipinos and the natives of Java and the East Indies and of South Africa. Together, these peoples comprise almost half of the world's population. With none of them have the majority of Americans any ties of race. But we are learning in this war that it is not racial classifications nor ethnological considerations which bind men together; it is shared concepts and kindred objectives.

We are learning that the test of a people is their aim and not their color. Even Hitler's high racial wall has been breached by the recognition of a common purpose with those "honorary Aryans," the Japanese. We, too, have our natural allies. We must, now and hereafter, cast our lot as a nation with all those other peoples, whatever their race or color, who prize liberty as an innate right, both for themselves and for others. We must, now and hereafter, together with those peoples, reject the doctrine of imperialism which condemns the world to endless war.

Let me emphasize once more that race and color

do not determine what people are allies and what people are enemies in this struggle. In the East, we have a plain example. Japan is our enemy because of her wanton and barbaric aggression upon weaker nations and because of the imperialistic doctrine by which she seeks to rule and enslave the world. Japan is our enemy because of the treacherous and unprovoked attacks by which she has launched each of her assaults in carrying forward her scheme of conquest.

China is our friend because like us she nourishes no dream of conquest and because she values liberty. She is our ally because, first among the nations, she resisted aggression and enslavement. . . .

It has been a long while since the United States had any imperialistic designs toward the outside world. But we have practiced within our own boundaries something that amounts to race imperialism. The attitude of the white citizens of this country toward the Negroes has undeniably had some of the unlovely characteristics of an alien imperialism—a smug racial superiority, a willingness to exploit an unprotected people. We have justified it by telling ourselves that its end is benevolent. And sometimes it has been. But so sometimes have been the ends of imperialism. And the moral atmosphere in which it has existed is identical with that in which men—well-meaning men—talk of "the white man's burden." . . .

Our very proclamations of what we are fighting for have rendered our own inequities self-evident. When we talk of freedom and opportunity for all nations, the mocking paradoxes in our own society become so clear they can no longer be ignored. If we want to talk about freedom, we must mean freedom for others as well as ourselves, and we must mean freedom for everyone inside our frontiers as well as outside. During a war, this is especially important.

The threat to racial and religious, even to political, minority groups springs in wartime from two things—an overzealous mass insistence upon general conformity to majority standards, and the revival under emotional strains of age-old racial and religious distrusts. Minorities then are apt to be charged with responsibility for the war itself, and all the dislocations and discomforts arising from it. They are jealously subjected to scrutiny to determine if they are the recipients of special advantages. . . .

Our nation is composed of no one race, faith, or cultural heritage. It is a grouping of some thirty peoples possessing varying religious concepts, philosophies, and historical backgrounds. They are linked together by their confidence in our democratic institutions as expressed in the Declaration of Independence and guaranteed by the Constitution for themselves and for their children.

The keystone of our union of states is freedom—freedom for the individual to worship as he chooses, to work as he chooses, and to live and rear his children as he chooses. Liberty, if it is to be for all, must be protected by basic safeguards intended to give it the most general diffusion attainable, and none can expect privileges which encroach upon the rights of others. Despite the functionings of our mischievous bureaucracies, and our sometimes excessively enterprising legislatures, and—in deplorable but fortunately isolated instances—the flaring of mob law, we have obtained here in America, in the course of little more than a century and a half of experience and adjustment, the most reasonable expression of freedom that has yet existed in history.

Our success thus far as a nation is not because we have built great cities and big factories and cultivated vast areas, but because we have promoted this fundamental assurance of freedom upon which all our material development has depended, and have tolerated, and learned to use, our diversities. . . .

If we want to see the opposite of this American system, we have merely to look at the military despotism of Hitler and the autocracy of Japan, and the fading dictatorship of Fascist Italy. The story of Germany for the last ten years has been one of racial and religious intolerance that provided a mask behind which a peace-professing dictator lured the people first to minority persecution, then to war. This intolerance gave the German nation the momentary strength of complete regimentation. Actually, it has undermined and weakened the social structure so that when the tide of war turns, collapse is likely to be sudden and complete.

It has always impressed me that, quite apart from any reasons of humanitarianism or justice or any sentiment regarding the protection of the weak by the strong, it is only common sense to safeguard jealously the rights of minorities. For minorities are rich assets of a democracy, assets which no totalitarian government can afford. Dictatorships must, of necessity, fear and suppress them. But within the tolerance of a democracy, minorities are the constant spring of new ideas, stimulating new thought and action, the constant source of new vigor.

To suppress minority thinking and minority expression would tend to freeze society and prevent progress. For the majority itself is stimulated

by the existence of minority groups. The human mind requires contrary expressions against which to test itself.

For now more than ever, we must keep in the forefront of our minds the fact that whenever we take away the liberties of those whom we hate, we are opening the way to loss of liberty for those we love.

Our way of living together in America is a strong but delicate fabric. It is made up of many threads. It has been woven over many centuries by the patience and sacrifice of countless liberty-loving men and women. It serves as a cloak for the protection of poor and rich, of black and white, of Jew and gentile, of foreign- and native-born.

Let us not tear it asunder. For no man knows, once it is destroyed, where or when man will find its protective warmth again.

One World

It was only a short time ago—less than a quarter of a century—that the allied nations gained an outstanding victory over the forces of conquest and aggression then led by imperial Germany.

But the peace that should have followed that war failed primarily because no joint objectives upon which it could be based had been arrived at in the minds of the people, and therefore no world peace was possible. The League of Nations was created full-blown; and men and women, having developed no joint purpose, except to defeat a common enemy, fell into capricious arguments about its structural form. Likewise, it failed because it was primarily an Anglo-French-American solution, retaining the old colonial imperialisms under new and fancy terms. It took inadequate account of the pressing needs of the Far East, nor did it sufficiently seek solution of the economic problems of the world. Its attempts to solve the world's problems were primarily political. But political internationalism without economic internationalism is a house built upon sand. For no nation can reach its fullest development alone.

Our own history furnishes, I believe, another clue to our failure. One of our most obvious weaknesses, in the light of what is going on today, is the lack of any continuity in our foreign policy. Neither major party can claim to have pursued a stable or consistent program of international co-operation even during the relatively brief period of the last forty-five years. Each has had its season of world outlook—sometimes an imperialistic one—and each its season of strict isolationism, the Congressional leadership of the party out of power usually, according to accepted American political practice, opposing the program of the party in power, whatever it might be.

For years many in both parties have recognized that if peace, economic prosperity, and liberty itself were to continue in this world, the nations of the world must find a method of economic stabilization and co-operative effort.

These aspirations at the end of the First World War, under the presidency of Woodrow Wilson, produced a program of international co-operation intended to safeguard all nations against military aggression, to protect racial minorities, and to give the oncoming generation some confidence that it could go about its affairs without a return of the disrupting and blighting scourge of war. Whatever we may think about the details of that program, it was definite, affirmative action for world peace. We cannot state positively just how effective it might have proved had the United States extended to it support, influence, and active participation.

But we do know that we tried the opposite course and found it altogether futile. We entered into an era of strictest detachment from world affairs. Many of our public leaders, Democratic and Republican, went about the country proclaiming that we had been tricked into the last war, that our ideals had been betrayed, that never again should we allow ourselves to become entangled in world politics which would inevitably bring about another armed outbreak. We were blessed with natural barriers, they maintained, and need not concern ourselves with the complicated and unsavory affairs of an old world beyond our borders.

We shut ourselves away from world trade by excessive tariff barriers. We washed our hands of the continent of Europe and displayed no interest in its fate while Germany rearmed. We torpedoed the London Economic Conference when the European democracies, with France lagging in the rear, were just beginning to recover from the economic depression that had sapped their vitality, and when the instability of foreign exchange remained the principal obstacle to full revival. And in so doing, we sacrificed a magnificent opportunity for leadership in strengthening and rehabilitating the democratic nations, in fortifying them against assault by the forces of aggression which at that very moment were beginning to gather. . . .

If our withdrawal from world affairs after the last war was a contributing factor to the present war and to the economic instability of the past twenty years—and it seems plain that it was—a

withdrawal from the problems and responsibilities of the world after this war would be sheer disaster. Even our relative geographical isolation no longer exists.

At the end of the last war, not a single plane had flown across the Atlantic. Today that ocean is a mere ribbon, with airplanes making regular scheduled flights. The Pacific is only a slightly wider ribbon in the ocean of the air, and Europe and Asia are at our very doorstep.

America must choose one of three courses after this war: narrow nationalism, which inevitably means the ultimate loss of our own liberty; international imperialism, which means the sacrifice of some other nation's liberty; or the creation of a world in which there shall be an equality of opportunity for every race and every nation. I am convinced the American people will choose, by overwhelming majority, the last of these courses. To make this choice effective, we must win not only the war, but also the peace, and we must start winning it now.

To win this peace three things seem to me necessary—first, we must plan now for peace on a world basis; second, the world must be free, politically and economically, for nations and for men, that peace may exist in it; third, America must play an active, constructive part in freeing it and keeping its peace.

When I say that peace must be planned on a world basis, I mean quite literally that it must embrace the earth. Continents and oceans are plainly only parts of a whole, seen, as I have seen them, from the air. England and America are parts; Russia and China, Egypt, Syria and Turkey, Iraq and Iran are also parts. And it is inescapable that there can be no peace for any part of the world unless the foundations of peace are made secure throughout all parts of the world.

This cannot be accomplished by mere declarations of our leaders, as in an Atlantic Charter. Its accomplishment depends primarily upon acceptance by the peoples of the world. For if the failure to reach international understanding after the last war taught us anything it taught us this: even if war leaders apparently agree upon generalized principles and slogans while the war is being fought, when they come to the peace table they make their own interpretations of their previous declarations. So unless today, while the war is being fought, the people of the United States and of Great Britain, of Russia and of China, and of all the other United Nations, fundamentally agree on their purposes, fine and idealistic expressions of hope such as those of the Atlantic Charter will live merely to mock us as have Mr. Wilson's Fourteen Points. The Four Freedoms will not be accomplished by the declarations of those momentarily in power. They will become real only if the people of the world forge them into actuality.

When I say that in order to have peace this world must be free, I am only reporting that a great process has started which no man—certainly not Hitler—can stop. Men and women all over the world are on the march, physically, intellectually, and spiritually. After centuries of ignorant and dull compliance, hundreds of millions of people in eastern Europe and Asia have opened the books. Old fears no longer frighten them. They are no longer willing to be Eastern slaves for Western profits. They are beginning to know that men's welfare throughout the world is interdependent. They are resolved, as we must be, that there is no more place for imperialism within their own society than in the society of nations. The big house on the hill surrounded by mud huts has lost its awesome charm.

Our Western world and our presumed supremacy are now on trial. Our boasting and our big talk leave Asia cold. Men and women in Russia and China and in the Middle East are conscious now of their own potential strength. They are coming to know that many of the decisions about the future of the world lie in their hands. And they intend that these decisions shall leave the peoples of each nation free from foreign domination, free for economic, social, and spiritual growth.

Economic freedom is as important as political freedom. Not only must people have access to what other peoples produce, but their own products must in turn have some chance of reaching men all over the world. There will be no peace, there will be no real development, there will be no economic stability, unless we find the method by which we can begin to break down the unnecessary trade barriers hampering the flow of goods. Obviously the sudden and uncompromising abolition of tariffs after the war could only result in disaster. But obviously, also, one of the freedoms we are fighting for is freedom to trade. I know there are many men, particularly in America, where our standard of living exceeds the standard of living in the rest of the world, who are genuinely alarmed at such a prospect, who believe that any such process will only lessen our own standard of living. The reverse of this is true.

Many reasons may be assigned for the amazing economic development of the United States. The abundance of our national resources, the freedom of our political institutions, and the character of

our population have all undoubtedly contributed. But in my judgment the greatest factor has been the fact that by the happenstance of good fortune there was created here in America the largest area in the world in which there were no barriers to the exchange of goods and ideas.

And I should like to point out to those who are fearful one inescapable fact. In view of the astronomical figures our national debt will assume by the end of this war, and in a world reduced in size by industrial and transportation developments, even our present standard of living in America cannot be maintained unless the exchange of goods flows more freely over the whole world. It is also inescapably true that to raise the standard of living of any man anywhere in the world is to raise the standard of living by some slight degree of every man everywhere in the world.

Finally, when I say that this world demands the full participation of a self-confident America, I am only passing on an invitation which the peoples of the East have given us. They would like the United States and the other United Nations to be partners with them in this grand adventure. They want us to join them in creating a new society of independent nations, free alike of the economic injustices of the West and the political malpractices of the East. But as partners in that great new combination they want us neither hesitant, incompetent, nor afraid. They want partners who will not hesitate to speak out for the correction of injustice anywhere in the world.

Our allies in the East know that we intend to pour out our resources in this war. But they expect us now—not after the war—to use the enormous power in our giving to promote liberty and justice. Other peoples, not yet fighting, are waiting no less eagerly for us to accept the most challenging opportunity of all history—the chance to help create a new society in which men and women the world around can live and grow invigorated by independence and freedom.

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INDEX OF DOCUMENTS

INDEX OF AUTHORS

Adams, John Quincy, *Memoirs*, 441
Allen, Frederick L., *Only Yesterday*, 1089
Anderson, Paul Y., "Tear Gas, Bayonets, and Votes," 1167
Andrews, Sidney, *The South since the War*, 654

Bancroft, George, *The Office of the People*, 366
Beard, Charles A., *A Foreign Policy for America*, 1220
Bell, Spurgeon, *Productivity, Wages, and National Income*, 1177
Benton, Thomas Hart, Speech on the Bank . . . , 416
Beresford, Charles, *The Break-up of China*, 884
Biddle, Nicholas, *Correspondence* (*re* the Bank of the United States), 424; *Letters to John Quincy Adams*, 429
Blaine, James G., Two Addresses to the International American Conference, 777
Boulter, Hugh, *Letters*, 95
Brewer, David Josiah, Opinion of the Court *in re* Debs, 848
Brisbane, Albert, *The Social Destiny of Man*, 473
Bryce, James, *The American Commonwealth*, 812
Buell, Raymond L., *The Hull Trade Program and the American System*, 1213
Bulkley, Robert J., *The Federal Farm-Loan Act*, 984

Cairnes, John Elliot, *Some Leading Principles of Political Economy*, 759
Calhoun, John C., *A Disquisition on Government*, 484
Canning, George, Correspondence (with Rush), 437
Carey, Henry C., *Principles of Political Economy*, 356
Carnegie, Andrew, *Wealth and Its Uses*, 807
Chase, Stuart, *Prosperity, Fact or Myth*, 1077
Clark, Colin, *The Conditions of Economic Progress*, 1180
Clay, Henry, Speech on Internal Improvements, 395
Colepeper, Sir John, *Speeches Relating to Grievances*, before Parliament, 42
Commissioner of Corporations, Report on the United States Steel Corporation, 943
Coxe, Tench, *A View of the United States*, 305
Crèvecoeur, J. Hector St. John, *Letters from an American Farmer*, 161

Debs, Eugene V., Two Speeches, 961
Defoe, Daniel, *Giving Alms No Charity*, 50
Dewey, John, Democracy, 1161; *The Development of American Pragmatism*, 921
Dickens, Charles, *American Notes . . .* , 493
Donnelly, Ignatius, *The People's Money*, 868; *People's Party Platform of 1892*, 835
Dunbar, Charles F., *The Establishment of the National Banking System*, 606
Dunn, Robert W., *The Industrial Welfare Offensive*, 1066
Dwight, Timothy, *Travels in New England . . .* , 258

Eccles, Marriner C., Two Addresses, 1197
Edwards, Jonathan, *The Personal Narrative*, 147
Emerson, Ralph Waldo, *Nature*, 348

Fitzhugh, George, *Cannibals All*, 543
Franklin, Benjamin, *Autobiography*, 154; *Examination of Dr. Franklin*, 196; *Observations Concerning the Increase of Mankind*, 110

Gay, Edwin F., *Recent Economic Changes*, 1048

George, Henry, *Progress and Poverty*, 711
Glass, Carter, Speech on the Federal Reserve Act, 979
Godkin, E. L., Editorials from the *Nation*, 742
Greeley, Horace, *The Prayer of Twenty Millions*, 615

Hamilton, Alexander, *The Federalist, No. 1*, 282; *No. 51*, 286; *On the Constitutionality of a National Bank*, 295; *Plan* (for the Constitution), 275; *Report on . . . Manufactures*, 300
Hansen, Alvin H., *Fiscal Policy and Business Cycles*, 1154
Harrison, William, *The Description of England*, 30
Helper, Hinton Rowan, *The Impending Crisis of the South*, 546
Hildreth, Richard, *Theory of Politics*, 490
Holmes, Oliver Wendell, Dissenting Opinion in *Lochner v. New York*, 956
Hunt, Freeman, *Lives of American Merchants*, 380
Hunter, Robert, *Poverty*, 931

Ichihashi, Yamato, *The Washington Conference and After*, 1106

Jackson, Gardner, "Unknown Soldiers," 1165
James I, Proclamation Touching Grievances, 40
James, William, *Philosophical Conceptions and Practical Results*, 800
Jefferson, Thomas, *Correspondence* (Louisiana Purchase), 314; The First Inaugural, 310; *Message to Congress, 1803*, 320; *Opinion against . . . a National Bank*, 292; *Notes on Virginia*, 264; *The Virginia Statute . . .*, 217
Johnson, Richard M., Rejoinder (The House Debate . . . on . . . War), 326
Julian, George W., *Radicalism and Conservatism*, 620

Kellogg, Frank B., *The Settlement of International Controversies by Pacific Means*, 1110
King, Edward, *The Great South*, 658
King, Willford I., *Wealth and Income*, 936
Klein, Julius, *Frontiers of Trade*, 1095

Laud, Bishop, Two Sermons, 37
Laughlin, J. L., *Facts about Money*, 872
Lee, Richard Henry, *Letters of a Federal Farmer*, 289
Lilienthal, David, *TVA—Democracy on the March*, 1191
Lincoln, Abraham, The Preliminary Emancipation Proclamation, 617; Reply to Horace Greeley, 615
List, Friedrich, *Early Railroads in America*, 400
Lloyd, Henry Demarest, *Wealth Against Commonwealth*, 829
Locke, John, *A Letter Concerning Toleration*, 57; *Of Civil Government*, 66
Lodge, Henry Cabot, *Immigration Restriction*, 843; *The Senate and the League of Nations*, 1012
Luther, Seth, *Address to the Working Men of New England*, 388
Lynd, Robert S. and Helen M., *Middletown*, 1055

Mahan, Alfred T., *The Lessons of the War with Spain*, 878
Madison, James, *Correspondence* (Louisiana Purchase), 316; *The Federalist, No. 51*, 286; *Views of the Political System . . .*, 212
Mann, Lawrence B., *Foreign Reactions to the American Tariff Act*, 1099
Mayhew, Jonathan, *A Discourse Concerning Unlimited Submission*, 114
Means, Gardner C., *Industrial Prices and Their Relative Inflexibility*, 1185
Mitchell, Wesley C., *Business Cycles*, 1039
Morrow, Dwight, On Mexico, 1114
Morse, Samuel F. B., *Imminent Dangers to the Free Institutions . . .*, 391

National Monetary Commission, Defects of the National Banking System, 977

O'Sullivan, John L., *Annexation*, 563
Otken, Charles H., *The Ills of the South*, 825

Paine, Thomas, *Common Sense* (Appendix), 203; *The Crisis*, 206

Paish, Sir George, *Trade Balance of the United States*, 988
Palmer, Elihu, *Principles of Nature*, 254
Paterson, William, *The New Jersey Plan*, 273
Pecora, Ferdinand, *Wall Street under Oath*, 1086
Peffer, William A., *The Farmer's Side*, 820
Perry, Matthew C., *Correspondence Relative to the Naval Expedition to Japan*, 569
Powderly, T. V., *Thirty Years of Labor*, 753
Price, Richard, *Observations on the Importance of the American Revolution*, 228
Pujo Committee Report on Concentration of Control of Money and Credit, 949

Randolph, Edmund, *The Virginia Plan*, 272
Randolph, John, The House Debate . . . on Preparation for War (1812), 323
Robinson, Henry M., *Fantastic Interim*, 1170
Roosevelt, Franklin D., Commonwealth Club Address, 1149; The Four Freedoms Address, 1222; Two Addresses, 1232
Roosevelt, Theodore, *Corollary to the Monroe Doctrine*, 1000; Message to the Senate on the Dominican Treaty, 1003; *The Panama Canal*, 993
Rush, Richard, Correspondence with Canning, 437

St. John, Vincent, Testimony Concerning the I.W.W., 967
Seligman, Edwin R. A., *Economics of Installment Selling*, 1082
Seward, William Henry, *Diplomatic Correspondence*, 673
Siegfried, André, *America Comes of Age*, 1060
Smith, Adam, *The Wealth of Nations*, 178
Smith, John, *Description of Virginia*, 79
Smith, Sydney, *Letters on American Debts*, 431
Spero, Sterling D., and Abram L. Harris, *The Black Worker*, 1072
Steffens, Lincoln, *The Shame of the Cities*, 927
Stettinius, Edward R., Jr., *Lend-Lease: Weapon for Victory*, 1226
Still, William, *The Underground Railroad*, 559
Stimson, Henry L., The United States and the Other American Republics, 1117
Streightoff, Frank H., *The Standard of Living*, 934
Strong, Josiah, *Our Country*, 772
Sumner, William Graham, *What Social Classes Owe to Each Other*, 718

Taylor, Bayard, *Eldorado*, 499
Thomas, Gabriel, *An Account of Pensilvania*, 86
Thoreau, Henry D., *Civil Disobedience*, 479
Tocqueville, Alexis de, *Democracy in America*, 370
Tucker, Josiah, *Tracts*, 184
Turgot, Jacques, *The American Revolution*, 226

Veblen, Thorstein, *The Limitations of Marginal Utility*, 915

Warner, John DeWitt, *The Currency Famine of 1893*, 861
Webster, Daniel, *The Second Speech on the Foote Resolution*, 405
Weld-Grimké Letters, 555
Wells, David A., Report of the Special Commissioner of the Revenue, 726
Wharton, William H., Address (on Texas), 446
Whitman, Walt, *Democratic Vistas*, 704
Williams, John H., *Deficit Spending*, 1205
Williams, Roger, *Bloudy Tenant of Persecution*, 108
Willkie, Wendell L., *One World*, 1236
Wilson, Woodrow, *The New Freedom*, 973; Two Messages to Congress, 1004
Winstanley, Gerrard, *Declaration from the Poor Oppressed People of England*, 45
Wright, Carroll D., First Annual Report of the Commissioner of Labor, 852; *Industrial Evolution of the United States*, 854

INDEX OF TITLES

Account of Pensilvania, An (Thomas), 86
Addresses to the International American Conference (Blaine), 777
Address (Dec. 8, 1941), Asking for a War Declaration against Japan (Roosevelt), 1232
Address (Dec. 8, 1941), to the American People (Roosevelt), 1233
Address on Texas (Wharton), 446
Address to Congress (April 2, 1917), for Declaration of War against Germany (Wilson), 1004
Address to Congress (July 10, 1919), Presenting the Treaty for Ratification (Wilson), 1007
Address to the Working Men of New England (Luther), 388
America Comes of Age (Siegfried), 1060
American Commonwealth, The (Bryce), 812
American Notes . . . (Dickens), 493
American Revolution, The (Turgot), 226
Annexation (O'Sullivan), 563
Appointment and Removal of a Royal Governor, 172
Autobiography (Franklin), 154

Black Worker, The (Spero and Harris), 1072
Bloudy Tenant of Persecution, The (Williams), 108
Break-up of China, The (Beresford), 884
Business Cycles (Mitchell), 1039

Cannibals All (Fitzhugh), 543
Charter of the Bank of North America, 216
"Chicago and Memphis Conventions" (*De Bow's Review*), 526
Common Sense (Paine), Appendix, 203
Civil Disobedience (Thoreau), 479
Commonwealth Club Address (Roosevelt), 1149
Constitutional Union Platform of 1860, The, 598
Consumer Incomes in the United States, 1174
Corollary to the Monroe Doctrine (Roosevelt), 1000
Correspondence (Biddle), 424
Correspondence (Canning and Rush), 437
Correspondence (Jefferson), Louisiana Purchase, 314
Correspondence (Madison), Louisiana Purchase, 316
Correspondence Relative to the Naval Expedition to Japan (Perry), 569
Crisis, The (Paine), 206
Currency Famine of 1893, The (Warner), 861

Declaration from the Poor Oppressed People of England (Winstanley), 45
Declaration of the . . . Causes . . . [of] Secession, 601
Defects of the National Banking System, 977
Deficit Spending (Williams), 1205
"Democratic Inflationists, The" (Godkin), 742
"Democracy" (Dewey), 1161
Democracy in America (Tocqueville), 370
Democratic (Breckinridge Faction) Platform of 1860, The, 598
Democratic Platform of 1860, The, 598
Democratic Vistas (Whitman), 704
Description of England, The (Harrison), 30
Description of Virginia (Smith), 79
Development of American Pragmatism, The (Dewey), 921
Diplomatic Correspondence (Seward), 673
"Direct Trade of Southern States with Europe" (*De Bow's Review*), 530
Disallowance of a Colonial Statute, The, 174
Discourse Concerning Unlimited Submission (Mayhew), 114
Disquisition on Government, A (Calhoun), 484
Dissenting Opinion in *Lochner v. New York* (Holmes), 956

Early Railroads in America (List), 400
Economics of Installment Selling (Seligman), 1082
Eldorado (Taylor), 499

Establishment of the National Banking System, The (Dunbar), 606
Examination of Dr. Franklin (*re* the Stamp Act), 196

Facts about Money (Laughlin), 872
Fantastic Interim (Robinson), 1170
"Farmer and the Supreme Court, The" (Godkin), 744
Farmer's Side, The (Peffer), 820
Federal Farm-Loan Act, The (Bulkley), 984
Federalist, The, No. 1, 282; *No. 51*, 286
First Annual Report of the Commissioner of Labor (Wright), 852
First Inaugural, The (Jefferson), 310
Fiscal Policy and Business Cycles (Hansen), 1154
Foreign Policy for America, A (Beard), 1220
Foreign Reactions to the American Tariff Act (Mann), 1099
Four Freedoms Address, The (Roosevelt), 1222
Frontiers of Trade (Klein), 1095
Future of Banking, The (Eccles), 1197

Giving Alms No Charity (Defoe), 50
Great South, The (King), 658

Hippisley Memorandum, The, 885
House Debate . . . on . . . War (Randolph), 323
How Are We to Put Idle Men, Money and Machines to Work? (Eccles), 1201
Hull Trade Program and the American System, The (Buell), 1213

Ills of the South, The (Otken), 825
Imminent Dangers to the Free Institutions . . . (Morse), 391
Immigration Restriction (Lodge), 843
Impending Crisis of the South, The (Helper), 546
Industrial Evolution of the United States (Wright), 854
Industrial Prices and Their Relative Inflexibility (Means), 1185
Industrial Welfare Offensive (Dunn), 1066

Joint Select Committee Minority Report, 645

Land Ordinances of 1785, 220
Land Ordinance of 1787, 223
Lend-Lease: Weapon for Victory (Stettinius), 1226
Lessons of the War with Spain, The (Mahan), 878
Letter Concerning Toleration, A (Locke), 57
Letters (Boulter), *re* migration from Ireland, 95
Letters from an American Farmer (Crèvecoeur), 181
Letters of a Federal Farmer (Lee), 289
Letters on American Debts (Smith), 431
Letters to John Quincy Adams (Biddle), 429
Limitations of Marginal Utility, The (Veblen), 915
Lives of American Merchants (Hunt), 380

Message to Congress, 1803 (Jefferson), 320
Message to the Senate on the Dominican Treaty (Roosevelt), 1003
Middletown (Lynd), 1055
Memoirs (Adams), 441
Minnesota, the Empire State of the New Northwest, 735
Munn v. Illinois, 747

Nature (Emerson), 348
New Freedom, The (Wilson), 973
New Jersey Plan, The (Paterson), 273
New York Clearing House Association Report, 768
Notes on Virginia (Jefferson), 264

Observations Concerning the Increase of Mankind (Franklin), 110
Observations on the Importance of the American Revolution (Price), 228
Of Civil Government (Locke), 66
Office of the People, The (Bancroft), 366
One World (Willkie), 1236
Only Yesterday (Allen), 1089
On Mexico (Morrow), 1114
On the Constitutionality of a National Bank (Hamilton), 295
Opinion against . . . a National Bank (Jefferson), 292

Opinion of the Court *in re* Debs (Brewer), 848
Our Country (Strong), 772

Panama Canal, The (Roosevelt), 993
People's Money, The (Donnelly), 868
People's Party Platform of 1892 (Donnelly), 835
Personal Narrative, The (Edwards), 147
Philosophical Conceptions and Practical Results (James), 800
Poverty (Hunter), 931
Preliminary Emancipation Proclamation, The (Lincoln), 617
Principles of Nature (Palmer), 254
Principles of Political Economy (Carey), 356
Proclamation Touching Grievances (James I), 40
Productivity, Wages, and National Income (Bell), 1177
Progress and Poverty (George), 711
Prosperity, Fact or Myth (Chase), 1077

Radicalism and Conservatism (Julian), 620
Recent Economic Changes (Gay), 1048
Refusal of the Cape Breton Concession, The, 175
Reply to Greeley (Lincoln), 615
Report of the Special Commissioner of the Revenue (Wells), 726
Report on Concentration of Control of Money and Credit (Pujo Committee), 949
Report on . . . Manufactures (Hamilton), 300
Report on the United States Steel Corporation, 943
Republican Platform of 1860, The, 599
"Revolution" (Debs), 961
Rockhill Memorandum, The, 886
Roebuck's Audience with Napoleon, 670

Senate and the League of Nations, The (Lodge), 1012
Sermon before King Charles's Second Parliament, 1625, 38
Sermon on King James's Birthday, 1621 (Laud), 37
Settlement of International Controversies by Pacific Means, The (Kellogg), 1110
Shame of the Cities, The (Steffens), 927
Slidell's Audiences with Napoleon, 666
Social Destiny of Man (Brisbane), 473
"Socialist Party and the Working Class, The" (Debs), 962
Some Leading Principles of Political Economy (Cairnes), 759
South Carolina Constitutional Convention, Journal of the Proceedings, 839
South Carolina Constitution of 1868, 638
South Carolina Convention (1860), The, 600
South Carolina Ordinance of Nullification, 410
South, The, since the War (Andrews), 654
"Southern Patronage to Southern Imports" (*De Bow's Review*), 528
Specie Circular of 1836, 428
Speeches Relating to Grievances before Parliament (Colepeper), 42
Speech on Internal Improvements (Clay), 395
Speech on the Bank of the United States . . . (Benton), 416
Speech on the Federal Reserve Act (Glass), 979
Stamp Act, 196
Standard of Living, The (Streightoff), 934

"Tear Gas, Bayonets, and Votes" (Anderson), 1167
Testimony Concerning the I.W.W. (St. John), 967
Theory of Politics (Hildreth), 490
Thirty Years of Labor (Powderly), 753
Tracts (Tucker), 184
Trade Balance of the United States (Paish), 988
Travels in New England . . . (Dwight), 258
TVA—Democracy on the March (Lilienthal), 1191

Underground Railroad, The (Still), 559
"United States and the Other American Republics, The" (Stimson), 1117
"Unknown Soldiers" (Jackson), 1165

View of the United States, A (Coxe), 305
Views of the Political System . . . (Madison), 212
Virginia Plan, The (Randolph), 272
Virginia Statute of Religious Liberty (Jefferson), 217

Wall Street under Oath (Pecora), 1086
Washington Conference and After, The (Ichihashi), 1106
Way to Wealth, The, 536
Wealth against Commonwealth (Lloyd), 829
Wealth and Income (King), 936
Wealth and Its Uses (Carnegie), 807
Wealth of Nations, The (Smith), 178
Weld-Grimké Letters, 555
What Social Classes Owe to Each Other (Sumner), 718

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